

Weekly Compilation of
**Presidential
Documents**



Monday, August 7, 1995
Volume 31—Number 31
Pages 1335–1381

Contents

Addresses and Remarks

Congressional action on appropriations legislation—1350
Fraternal Order of Police—1353
National Governors' Association in Burlington, VT—1342
Political reform—1374
Radio address—1335
Report on the state of American education—1360
Senior citizens, question-and-answer session on Medicare—1337
State dinner for President Kim of South Korea—1335

Bill Signings

District of Columbia Emergency Highway Relief Act, statement—1378
Emergency supplemental appropriations and rescissions legislation, statement—1377

Communications to Congress

Bulgaria-U.S. nuclear cooperation agreement, message transmitting—1379
District of Columbia financial authority budget, message transmitting—1378
Energy policy report, message transmitting—1379
Iraq
Letter—1362
Message—1357
National Urban Policy Report, message transmitting—1364

Communications to Federal Agencies

Bosnia, assistance to United Nations Rapid Reaction Force, memorandums—1350, 1373
Timber salvage legislation, memorandum—1356

Executive Orders

Access to Classified Information—1365
Metro North Commuter Railroad labor dispute, emergency board establishment—1349

Interviews With the News Media

Exchanges with reporters
Briefing Room—1350
Cabinet Room—1360
Oval Office—1374

Meetings With Foreign Leaders

South Korea, President Kim—1335

Statements by the President

See also Bill Signings
Death of Maj. Richard J. Meadows—1342
Hurricane Erin—1361
Oil and gas drilling on the Outer Continental Shelf—1349
Telecommunications reform, proposed legislation—1355
Voting Rights Act, 30th anniversary—1376
Welfare reform, proposed legislation—1361

Supplementary Materials

Acts approved by the President—1381
Checklist of White House press releases—1381
Digest of other White House announcements—1380
Nominations submitted to the Senate—1381

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

The *Weekly Compilation of Presidential Documents* is published pursuant to the authority contained in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15), under

regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (37 FR 23607; 1 CFR Part 10).

Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The *Weekly Compilation of Presidential Documents* will be furnished by mail to domestic subscribers for \$80.00 per year (\$137.00 for mailing first class) and to foreign subscribers for \$93.75 per year, payable to the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The charge for a single copy is \$3.00 (\$3.75 for foreign mailing).

There are no restrictions on the republication of material appearing in the *Weekly Compilation of Presidential Documents*.

Week Ending Friday, August 4, 1995

**Remarks at a State Dinner for
President Kim Yong-sam of South
Korea**

July 27, 1995

Let me welcome President and Mrs. Kim, the members of the delegation from the Republic of Korea. To all of our distinguished guests, Hillary and I are delighted to have you here in the White House. I have especially enjoyed this day that I have spent with President Kim, a man whose extraordinary resilience is matched only by his commitment to democracy.

Mr. President, this is our fourth meeting. And if you'll permit me just a personal note, I am struck by how much we have in common. We were both elected to office at an early age. You won a seat in your National Assembly when you were just 25. You entered the Blue House just a month after I came to the White House. Or to put it in another way, we have both spent the past 20,000 hours or so dealing with our respective Congresses and fielding hard questions from the press. *[Laughter]* I'm happy to say that President Kim is also an enthusiastic jogger who permitted me to jog with him in Korea. And even in this heat, Mr. President, after this meal, we may have to run an extra mile together tomorrow. *[Laughter]*

Mr. President, for all the things we have in common, I must also comment on something that sets you apart from most other leaders in the world today. And that is the extraordinary hardship you endured and the courage you displayed to bring democracy to your country. Your many years in opposition were marked by jail terms, years of house arrest, an assassination attempt, and a 23-day hunger strike that almost took your life. As you once put it, a short life of integrity is better than a long life in disgrace.

But you persisted, and you prevailed. At your inauguration you said, "Deep in my heart I have a vision of a new Korea, a freer

and more mature democracy. At last we have established a government by the people and of the people of this land." Now, under your leadership, Korea is taking its rightful place in the world as both a thriving economy and a dynamic democracy.

Mr. President, the bonds between our people, forged in the fires of war upon your land, have only grown stronger with time. We are united now by a history of shared sacrifice and a future of common purpose. These are our common goals: lasting peace, security, and reconciliation on the Korean Peninsula; a stable and prosperous Asia-Pacific region; a rising tide of democracy around the world. Working together, the Republic of Korea and the United States can help to achieve them.

Mr. President, when I visited you 2 years ago, you presented me with a beautiful work of calligraphy with your favorite saying: *Taedo Mumun*, Righteousness overcomes all obstacles. Mr. President, tonight, in the presence of so many people from your country, so many Korean-Americans, your wonderful wife, and your two daughters who live in our country, I ask everyone in this room to raise a glass to a man who, through his own righteousness, has overcome all obstacles: Kim Yong-sam. To you, Mr. President, and to the enduring friendship between our two great nations.

NOTE: The President spoke at 8:30 p.m. in the State Dining Room at the White House. In his remarks, he referred to President Kim's wife, Kim Myoung Soon, and his daughters, Lee Hye Young and Song Hye Kyung. This item was not received in time for publication in the appropriate issue.

**Radio Address by the President and
Hillary Clinton on Medicare**

July 29, 1995

The President. Good morning. This morning I'm speaking to you from the Oval Office with the First Lady. And we're joined

by families from all across our country, grandparents, parents, and children, including Hillary's mother and my stepfather. We want to talk with you this morning about the respect and dignity we owe to older Americans and the security we owe to their families.

This weekend we're celebrating the 30th anniversary of the passage of Medicare. Guaranteed health care for older and disabled Americans is now so much a part of our lives that it's easy to forget how growing old once meant growing poor in our country. In 1965, over one-third of older Americans were poor, and half of them were uninsured.

I remember because my mother was a nurse-anesthetist, and older people without insurance would sometimes come to our house, offering to mow our lawn or bringing a bushel of peaches to pay for her services. These Americans had worked hard their whole lives, they didn't have any health insurance, and they were in danger of losing their health.

Vice President Gore's father, Senator Al Gore, Sr., was in the Senate back in 1965 when he said that this was a disgrace in a country such as ours. Senator Gore helped to create Medicare to put an end to that disgrace. And since then, Medicare has lifted millions of seniors out of poverty and provided insurance for almost every older American.

Mrs. Clinton. We need to remember that Medicare is not just important for older men and women, it is a compact across generations. Medicare means that we don't have to choose between doing right by our parents and giving our children the opportunities they deserve.

A friend of ours told me a story about how, before Medicare, her mother would take a part of her paycheck each week and put it in an envelope to pay for an aging parent's health care bills. That meant the family had less money for putting food on the table or sending their children to college or saving for their own retirement. That's the way it was for families before Medicare and the way it could be again for all families, especially those of us with both responsibilities for parents and children.

Parents ought to be able to save for their children's college and protect their parents' health. And Medicare means they can. It certainly has been there for our family and for the Vice President's.

You may know that the President and I have both lost parents in the last 2½ years. We've sat in those hospital waiting rooms. We've been in those intensive care units. And we've also experienced in the past week with the Vice President the joy of having his mother come out of the hospital. For all our worries, the one thing we didn't have to worry about was a mountain of health care bills. Medicare was there.

That is the story for millions of Americans, people like Arthur Flemming and Genevieve Johnson, who are here with us. Mr. Flemming helped start Medicare 30 years ago. And Mrs. Johnson was among the first people to benefit from it. Today, both are in their nineties and receive Medicare, and both have worked tirelessly to make sure Medicare will be there for their grandchildren, too. And I think it's because they know what life is like for most older Americans. The median income for women over 65 in our country is \$8,500 a year.

The President. To preserve Medicare for all of our grandchildren we do have to strengthen the Medicare trust fund, which holds the money we all pay in to cover hospital, nursing homes, and home health bills. I've been working to reform Medicare since I took office, and frankly, the trust fund is in better shape than it was when I did take office. But real reform is about making the situation better, not worse. Real reform means fixing the trust fund without putting beneficiaries in a fix.

I also believe we have to balance the budget. But I know we can do that and strengthen the trust fund without rolling back 30 years of progress against poverty and fear for older Americans. That's what my balanced budget will do. It will eliminate the deficit, secure the Medicare trust fund, and still protect older Americans from one penny in new Medicare costs. Times are tough enough without forcing families to pay more to keep the health care they have right now.

The congressional majority sees it differently. They are now willing to join me in

shoring up the trust fund, but they want to do it in a way I don't agree with, that goes way too far, because they insist on such a huge tax cut that also make older couples pay \$5,600 more out of their pockets over the next few years. For people who don't have that kind of money, the message will be simple: Fend for yourselves. Many people just won't be able to do it.

As I said before, we often take for granted the security that comes from Medicare. But according to a new study by the Department of Health and Human Services, the congressional majority would push 500,000—a half a million—older Americans into poverty by increasing the cost of health care. And these cuts would force their families to make choices between generations that no family should have to make.

We do need to protect Medicare from going bankrupt, but we don't have to bankrupt older Americans to do it. None of the cuts driving families into poverty would go into the trust fund. They would simply pay for a huge tax cut for people who don't really need it. That's unnecessary, and it's wrong. Medicare is too important to all families to become a piggy bank for tax cuts for just a few. It's especially important today because so many families are working harder and earning the same or less than they did 10 years ago.

For all Americans, Medicare must remain a source of certainty and security. For our parents, but also for our children, I pledge to do my part to keep Medicare strong.

Thanks for listening.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House.

Question-and-Answer Session With Senior Citizens on Medicare

July 29, 1995

The President. Yes, Sarah [Sarah McClendon, McClendon News Service].

Q. What's your strategy? What's going to be the Democrats' strategy? We can't live with this present condition, like this, we can't do it, people are dying every day because they don't have preventive health care. And

what's going to be the strategy of the Democrats to overcome this?

The President. Well, first of all, we're going to try to win as many of the fights as we can as they come up. You know, yesterday we won a really important victory in the House of Representatives where, really, the first time since the new majority took over, over 50 Republicans bolted and voted to protect the environment, a very important issue in States like Florida and other States around the country. The House had a bill before it that would literally strip the Federal Government of its power to protect the environment. So that—and 50 Republicans joined with almost all the Democrats and said, no, we're not going to do that.

So I think that we've got a chance now, a real chance to build a sensible, common-sense, common ground majority. And that's what we're going to try to do. I don't know that these Medicare cuts can pass the Congress. And I'm certainly going to do what I can to defeat them. That's our first strategy.

The second thing, to follow up on what you said, is that we believe that if we're going to slow the rate of growth in Medicare spending dramatically, without imposing great new costs on seniors and making the system work, we ought to take a little of that money we're going to save and put it into preventive care, to try to help people take care of their parents or their grandparents outside of institutions, outside of nursing home care. I think it would save money over the long run. It wouldn't cost a lot of money to start, and we'd sure find out over the next 2 or 3 years.

And in my budget, we do—we take some of that money to put into home health care. We've put some of that money into respite care for people with Alzheimer's. We do some other things with it, and we'll be able to monitor over the next 2 or 3 years whether it saves money or not. I think it will, and it doesn't have anything to do with stabilizing the trust fund. So that's our strategy.

And I'm encouraged by yesterday's vote on the environment that there may be some Republicans willing to brave the pressure, the enormous pressure they've been under to toe the line, to do what's right for America. So I'm encouraged.

Q. Mr. President——

Q. Larry, let's go do the discussion first and then we'll—

The President. Larry, what were you going to say?

Q. I'm sorry.

The President. I want to hear from all of you first, and then we'll take the press questions.

[At this point, Mayor Norman Abramowitz of Tamarac, FL, asked the President to continue the fight to protect Medicare and Medicaid and asked if he would address the concerns of the younger generation and their desire for change.]

The President. Well, you tell—first of all, tell them I won't give up the fight. We've just begun the fight. But I think, to be fair, the young people of our country are worried about their own future. And it's an amazing time in our country. We've got—just since I've been President, we've brought the deficit down, we've got 7 million new jobs, we've got a record high stock market, we've got a record number of new businesses. But a lot of people, including a lot of young people, are working harder for less. They feel more and more powerless. And so a lot of them think, well, maybe the answer is to turn against everything we've done in the past, turn against programs like Medicare, turn against the elderly, walk away from everything that's been done.

And the problem with that is, all they will do is make themselves and their parents and their own future worse. We have to properly analyze what's the matter, and we have to get the kind of change we want. We do need to raise incomes as well as create jobs, just like we need to stabilize the Medicare trust fund. People are living longer and longer, so there are more people drawing Medicare. And the older you are, on balance, the more you use the health care system. So the cost per person goes up as people get over 80, let's say. But the answer is to fix it in a way that won't break it and that won't bankrupt the seniors of this country.

And I think it's—you know, I'm glad you mentioned Medicaid. A lot of people think Medicaid is exclusively a program for young, poor people on welfare. And two-thirds of Medicaid money goes to the elderly and dis-

abled. That's what funds the parents of middle class America who have to go into nursing homes, for example. And if you look at the nature of the Medicaid cuts, we're going to see a lot of middle class Americans who will no longer be able to afford to send their kids to college because they'll be paying for their parents in nursing homes if they can afford to do that.

So, the answer—I think you ought to tell these young people, we are in a period of change. And we have to change our Government policies to be prepared for the 21st century. But the answer is to enable everybody to make the most of their own lives, not to pit one generation against another or one group of Americans against another. That is a dead loser for this country. That is a really foolish thing to do. It helps a lot of politicians win elections when they can pit people against one another, but it doesn't help the country much. And we have never progressed doing it. You look back in the whole history of America, we have never taken one step forward by pitting one group of Americans against another one, and we never will.

[A participant described a recent illness she suffered and explained that she had been very concerned that Medicare would not cover the expenses. She stated that she was fortunate that she had daughters to help provide care for her but that the average older person cannot afford the expense of a serious illness and the nursing care required.]

The President. But you know, your story illustrates a point that the mayor just made. I mean, first of all, for about 10 years now, the elderly in our country have had a lower poverty rate than very young people. And that's a wonderful thing. And two things did it, the cost of living on Social Security and Medicare. That's what did it.

Now, if we put another half a million older Americans in poverty with this program, is that going to lift any little children out of poverty? No. Is that going to help that young worker? No. All you're going to do is take more money out of the incomes of middle class working people who are working harder for less.

So the answer is to raise their incomes and increase their security. The answer is not to

make this swap. And who would get the benefit of this, this tax cut? I want to emphasize again, this money is not necessary to fix the Medicare trust fund. They don't have to make this much savings.

And an enormous amount of this huge tax cut is going to people who don't even need it, and many of them, frankly, don't want it. Many of them do not want it. I've had a lot of upper income people tell me that they do not want—they want to balance the budget, take care of Medicare, invest in education, get this country going. So I—this is a battle we have to win.

Yes ma'am. Go ahead.

[A participant described a letter the President sent her about Medicare.]

The President. Bless you.

Q. And I know you want it because you wouldn't have done it. You wouldn't have done this today. You didn't have to sit here.

The President. Thank you.

Go ahead.

[A participant stated that if Medicare and Medicaid were cut, a great number of disabled and elderly people would fall below the poverty line.]

Hillary Clinton. One of the concerns we have—and I think one of the reasons the President wanted to do this, to go back to Sarah's question, is there's a lot of misinformation out there. And I think, Mayor, that's what some of the young people are responding to. And we're now seeing ads being run that are trying to scare people and trying to say that, you know, if we don't do what the majority in Congress wants to do, then there won't be any Medicare. A lot of real scare tactics. And I think we have to get the information out to people.

For example, there's a difference, as you know, between Part A and Part B of Medicare. And what the President has proposed in his budget will improve the trust fund. But the beneficiary cuts and the additional costs that the majority in Congress want older people to have to pay out of their own pockets have nothing to do with the trust fund.

The President. —nothing to do with the trust fund.

Mrs. Clinton. See, this is one of those shell games. Remember when you'd walk down the street and you'd see how fast people could do all that, and I never could figure it out—well, it's going on again. But it's going on in a much more serious way, trying to really keep the balls moving so fast that they think that they'll fool people, and not just fool older people but fool the children and grandchildren, so that people will think, well, all they're trying to do is to fix the Medicare trust fund, and so if people have to pay more—not remembering that 75 percent of the people on Medicare make less than \$25,000 a year—so where are they going to get the \$2,000, the \$5,000 to pay more? And it has nothing to do with the Part B cuts, with the Part A trust fund.

So that's one thing that we have to keep explaining to people. And I think the truth, as is often the case, is one of our most effective arguments.

The President. A lot of people, like a lot of young people, don't know. They'll see these ads, and they think, well, they're trying to fix the trust fund. But I just want to remind—look, we need to do a little history here. When—1993, when I gave the State of the Union Address and I became President, I said, look, we've got to fix the trust fund. In 1994, I said, we have to fix the trust fund. When I presented health care reform, I said, we have to fix the trust fund. A lot of these same people, now, who are alarmed about the trust fund said, "There's no real problem, there's no health care crisis, what's he talking about?"

Then when a report comes out this year and it shows we've actually improved things for the trust fund but we still have to fix it, they say, "Oh, we have to fix the trust fund, and that's why we need to load all these costs on the seniors." But the costs—I want to say again what the First Lady said—the costs being loaded on the individual seniors do not go against the trust fund. They're being used to finance an excessively large tax cut and to balance the budget at the arbitrary date of 7 years.

And, you know, it is just not fair. I have never seen a time when the seniors of this country were not willing to bear their fair share, were not willing to make their own

contributions. You know as well as I do, modest changes have been made in Medicare and Social Security over the years. That's not what this is about. This is about just what Mr. Flemming said; it's about taking the heart out of this program, to drastically change the way the Government's priorities are. And it is wrong. And you and your children, your grandchildren, in some cases your great-grandchildren, you've got to stand up against it.

[A participant stated that she resented claims that the President and the Vice President are scaring older people.]

The President. I'm not trying to scare anybody. But I am trying to arouse——

Q. I'm defending you——

The President. I am trying to arouse the citizens of this country. I've seen scare tactics. I've had them used against me and what I was trying to do. I saw a couple hundred million dollars worth of scare tactics last year when I was trying to secure your health care future. So I know all about scare tactics. I'm not trying to scare you, but I think it's wrong for people to go around with this little plan to mess with your Medicare and try to keep the details of it secret until the 11th hour, then pop it through and have it all gone. And I think we need to—this is like a covey of quail. We need to flush it—*[laughter]*—get it out there and see what's going on here.

Go ahead, what were you going to say, ma'am?

[A participant said that she was concerned that Medicare cuts could affect the number of older women who get mammograms.]

Mrs. Clinton. Well, I'm glad you raised that because we've got the experts back there who run this program, and we know that one of the barriers to older women getting regular mammograms is cost. And if we make the cost of Medicare even more expensive for older people in general, but particularly women, then the preventive health care that they need—which will save us all money if people take care of themselves and get those tests—will be lost as well.

And I want to say one other thing because I think this is part of the—sort of the scare tactics as well that are being used. A lot of

people say, "Well, families should take care of each other, and families should be there for each other, and the Government shouldn't do it." The majority leader has said, you know, he doesn't want any part of Medicare; it shouldn't be a program in any free country, and everybody should take care of themselves.

Well, I think everybody in this room certainly and most people I know around the country do everything they can to help their parents. Your daughters came to take care of you, and you're grateful that they could. And we will continue to do that, financially, emotionally, in every way we can. But there are two, I think, realities we have to look at. There are a lot of older people who don't have those children and those grandchildren. There are a lot of older people who have outlived their children, who don't live anywhere near their children or their grandchildren, who are in no position to be able to get any help. What we are going to do with them, particularly all these older women who are on their own?

And the second thing is that because a lot of young people are struggling very hard for themselves I have no doubt they would make the sacrifice if they had to, but with the cost of medical care, my goodness, we will drive more young people into poverty if they have to spend all of their assets to try to help take care of their parents and their grandparents. That's why what we're talking about here is something that doesn't just affect older Americans. It affects every single American, no matter what our age. And I hope that people will understand that more.

[A participant suggested that the President needs to be very clear about how he intends to reform Medicare so that there is no confusion about the differences between his proposal and the Republican proposal.]

The President. That's what the First Lady said. These personal costs that are going to be loaded on the individual seniors under their plan do not make a contribution to stabilizing the trust fund. They are not necessary to stabilize the trust fund, and we don't have to do it.

I know we've got to break up. We'll hear from one more person.

[A participant expressed concern for minorities, many of whom live in poverty, if Medicaid is no longer an entitlement, especially in view of cutbacks in assistance at the local level.]

The President. It's a mistake. Let me just say this. Just look at the—you know, of course, the main Medicaid benefit to seniors is nursing home care. And, you know, most States have more people in nursing homes under Medicaid than Medicare—way more.

But let's just talk about the next generation. Let's talk about the children. We've all got a big stake in seeing how well they do. If you—Medicaid is the program that provides health insurance to really poor children in this country. Now, you tell me what's going to happen if you block-grant Medicaid and you don't require the States to come up with their portion, and the next time the State legislature meets in Florida—let's take Florida, a State I know quite a bit about—you know, Hillary and I have—her family live there, two of her brothers. Let's just take Florida. And it's a fast-growing state. And they come in and we have a legislature, and the people say, we don't have enough money for the schools. And they're telling the truth, because it's fast-growing. And then they say, we've got all these new communities, and we don't have enough money for the water systems we need or the sewer systems we need. And they'll be telling the truth. Or we don't have enough money for the road systems we need. And they'll be telling the truth.

Now, then let's say the seniors have a strong enough lobby to come in and save the money for the nursing homes. What happens? They'll cut off all the aid to the poor children. And then what happens if you take the health care away from the poor children? Then all of us will be paying for them when they're either really sick or they don't develop mentally and physically as they should 5, 10, 15 years down the road.

This is not a good idea. This is a bad idea. Not all change is good. We've got to have the right kind of change. And you're absolutely right. And I hope you will fight for it. And I will fight for it. And we just need to tell the American people about it. We can prevail.

Thank you. You guys have been great.

Q. Mr. President, just to give you a chance to respond to, undoubtedly, what the Republican response will be. They say that you have not offered a really detailed proposal of your own for changes with Medicare—

The President. Have they? Have they? What I have done—I have done what's important. I have said, we are not going to accept the beneficiary increases that they are. I have said that we can fix the Medicare trust fund without requiring the kind of cost increases on these folks that they are recommending to pay for their tax cut. That is a huge change.

Secondly, I have said that we don't have to do as much on the provider side into the health care system as they want to do, because I want to balance the budget in 10 years instead of 7. So, any set of options I adopt, they will have to adopt more severe options, which is why they want to go into the August recess with their plan a secret and why they allegedly apparently have plans to come back here and drop this thing out right before the fiscal year begins and allow about 2 days debate on it and then roll it through.

Now, I have proved—when I had responsibility for the budget, I did that. We made the Medicare trust fund better, with no help, I might add, from them. Not a single vote. We made it better. They denied that there was a problem with the trust fund. Then when they won the majority in the Congress, what happened? All of a sudden they discovered this problem in the trust fund and they used it as a pretext to raise costs on Medicare beneficiaries so much so they could pay for the big tax cut they promised and meet the 7-year balanced budget deadline they promised.

If you want to talk about—am I willing to work with them on Medicare reform to fix the Medicare trust fund? Absolutely, I am. Why did I present a balanced budget and alternative? So I could reach out my hand in good faith to work with them. So far that has not been an option. So far they have been proceeding down their own course. All I'm saying is, I am serving notice that I will not support what they are attempting to do to the seniors.

Now, we can fix the Medicare trust fund. It doesn't have anything to do with what we've been talking about here today.

NOTE: The President spoke at 10:12 a.m. in the Oval Office at the White House. In his remarks, he referred to Arthur Flemming, chair, Save Our Security.

Statement on the Death of Major Richard J. Meadows

July 29, 1995

I mourn the passing today of Major Richard J. Meadows, USA (Ret.), whose dedicated and exceptional service is cherished by everyone who knew of his extraordinary courage and selfless service.

I recently had asked General Wayne Downing, the commander-in-chief of the U.S. Special Operations Command, to present the Presidential Citizens Medal to Major Meadows. I am gratified to know that Major Meadows' wife, Pamela, his son, Mark, a U.S. Army captain, and daughter, Michele, will receive this award tonight at a gathering of those involved in the Sontay raid at Hurlburt Field. Although this will now be a posthumous honor, I am pleased that Major Meadows knew of this honor before he died.

To Major Meadows' family and friends and to the Special Operations community, I extend my heartfelt condolences. We will all remember him as a soldier's soldier and one of America's finest unsung heroes.

Remarks to the National Governors' Association in Burlington, Vermont

July 31, 1995

Thank you very much, Governor Dean. And thank you for the gift of those proceedings. I discovered two things looking through that book very quickly, which will be interesting perhaps to some of you. One is that the first Governors' conference—one thing I knew and one I didn't—the first Governors' conference was called by President Theodore Roosevelt to bring all the Governors together to develop a plan to conserve our Nation's resources. It was an environmental Governors' conference.

The second thing was that they really set the tone of bipartisanship which has endured through all these years—something I didn't know—I saw that the two special guests at the Governors' conference were William Jennings Bryan and Andrew Carnegie. So they were spanning the waterfront even then.

I really look forward to this, but I kind of got my feelings hurt. I understand Senator Dole came in here and told you that my cholesterol was higher than his. [*Laughter*] I came to Vermont determined to get my cholesterol down with low-fat Ben & Jerry's Cherry Garcia. [*Laughter*] I do want you to know that my standing heart rate, however—pulse rate—is much lower than Senator Dole's. But that's really not his fault, I don't have to deal with Phil Gramm every day. [*Laughter*] I think on matters of health, age, and political anxiety, we have come to a draw.

I thank you very much for having me here. I love looking around the table and seeing old friends and new faces. I thank Governor Dean for his leadership of the Governors' conference. And Governor Thompson, I wish you well, and I thank you for the work that we have done together over so many years. I thank all the State officials from Vermont who came out to the airport to say hello and the mayor here of Burlington. I know that your former Governor, Madeleine Kunin, is here, the Deputy Secretary of Education. She has done a very great job for us, and I thank her for that.

I want to talk to you today primarily about welfare reform. But I'd like to put it in the context of the other things that we are attempting to do in Washington. I see Senator Leahy and Congressman Sanders back there; Senator Jeffords may be here. I think I'm taking him back to Washington in a couple of hours.

I ran for President because I was genuinely concerned about whether our country was ready for the 21st century, because of the slow rate of job growth, 20 years of stagnant incomes, 30 years of social problems. I knew that we were still better than any other country in the world at so many things, but we seemed to be coming apart when, clearly, we've always done better when we went forward together as a nation.

I have this vision of what our country will look like 20 or 30 or 40 years from now. I want America to be a high-opportunity, smart-work country, not a hard-work, low-wage country. I want America to be a country with strong families and strong communities, where people have the ability to make the most of their own lives and families and communities have the ability to solve their own problems, where we have good schools and a clean environment and decent health care and safe streets.

I think the strategy to achieve that is clear. We have to create more opportunity and demand more responsibility from our people, and we have to do it together. I have concluded, having worked at this job now for 2½ years, that we cannot achieve the specific strategies of creating opportunity or providing for more responsibility unless we find a way to do more together.

In the last 2½ years, as Governor Dean said, I have spent most of my time working on trying to make sure we had a sound economic policy, to bring the deficit down and increase trade and investment in technology and research and development and education, to open up new educational opportunities, and to work with you to achieve standards of excellence with less direction from the National Government.

We also have tried to put some more specific responsibilities into the programs that benefit the American people. That's what the national service program was all about. We'll help you go to college, but you need to serve your country at the grassroots level. We reformed the college loan program to cut the cost and make the repayment terms better, but we toughened dramatically the collection of delinquent college loans so that the taxpayers wouldn't be out more money. We passed the family leave law, but we've also tried to strengthen child support enforcement, as so many of you have.

I want to help people on welfare, but I also want to reward people who, on their own, are off of welfare, on modest incomes, which is why we have dramatically expanded the earned-income tax credit, the program that President Reagan said was the most pro-family, pro-work initiative undertaken by the United States in the last generation. Now,

this year, families with children with incomes of under \$28,000 will pay about \$1,300 less in income tax than they would have if the laws hadn't been changed in 1993.

We also tried to change the way the Government works. It's smaller than it used to be. There are 150,000 fewer people working for the Federal Government than there were the day I became President. We have dramatically reduced Government regulations in many areas. We're on the way to reducing the regulatory burden of the Department of Education by 40 percent, the Small Business Administration by 50 percent. We are reducing this year the time it takes to comply with the EPA rules and regulations by 25 percent and establishing a program in which anybody, any small business person who calls the EPA and honestly asks for help in dealing with a problem cannot be fined as a result of any discovery arising from the phone call while the person is trying to meet the requirements of Federal law.

We have also tried to solve problems that have been ignored. We reformed the pension system in the country to save 8½ million troubled pensions and stabilize 40 million more. Secretary Cisneros has formed an unbelievable partnership to expand homeownership with no new tax dollars, which will get us by the end of this decade more than two-thirds of Americans in their own homes for the first time in the history of the Republic.

The results of all this are overwhelmingly positive but still somewhat troubling. On the economic front, we have 7 million more jobs, 1½ million more small businesses—the largest rate of small business formation in history—2.4 million new homeowners, record stock markets, low inflation, record profits. And yet—and a record number of new millionaires, which is something to be proud of in this country, people who've worked their way into becoming millionaires; they didn't inherit the money. But still, the median income is about where it was 2½ years ago, which means most wage-earning Americans are still working harder for the same or lower wages. And the level of anxiety is quite high.

On the social front, you see the same things. The number of people on food stamps is down. The number of people on welfare

is down. The divorce rate is down. The crime rate is down in almost every major metropolitan area in the country. The rate of serious drug use is down. But the rate of random violence among very young people is up. The continuing, gnawing sense of insecurity is up. The rate of casual marijuana smoking among very young people is up, even as serious drug use goes down.

So, what we have is a sense in America that we're kind of drifting apart. And this future that I visualize, that I think all of you share, is being rapidly embraced by tens of millions of Americans and achieved with stunning success. But we are still being held back in fulfilling our real destiny as a country because so many people are kind of shut off from that American dream.

I am convinced that the American people want us to go forward together. I am convinced that there really is a common ground out there on most of these issues that seem so divisive when we read about them in the newspaper or see them on the evening news. I think if just ordinary Americans could get in a room like this and sit around a table, two-thirds of them or more would come to the same answer on most of these questions. And I believe that we cannot bring the country together and move the country forward unless we deal with some issues that we still haven't faced.

I've tried to find a way to talk about really controversial issues in a way that would promote a discussion instead of another word combat. I've given talks in the last few days about family and media, about affirmative action, about the relationship of religion and prayer to schools in the hope that we could have genuine conversations about these things.

But I am convinced that almost more than any other issue in American life, this welfare issue sort of stands as a symbol of what divides us, because most Americans know that there are people who are trapped in a cycle of dependency that takes their tax dollars, but doesn't achieve the goals designed that they have, which is to have people on welfare become successful parents and successful workers and to have parents who can pay, pay for their children so the taxpayers don't have to do it. I am convinced that unless we

do this, and until we do it, there will still be a sort of wedge that will be very hard to get out of the spirit and the life of America.

There is here—maybe more than on any other issue that we're dealing with that's controversial—a huge common ground in America, maybe not in Washington yet, but out in the country there is a common ground. Not so very long ago there were liberals who opposed requiring all people on welfare to go to work. But now, almost nobody does. And as far as I know, every Democrat in both Houses of Congress has signed on to one version of a bill or another that would do exactly that.

Not so long ago there were conservatives who thought the Government shouldn't spend money on child care to give welfare mothers a chance to go to work. But now nearly everybody recognizes that the single most significant failure of the Welfare Reform Act of '88, which I worked very hard on and which I missed, was that when we decided we couldn't fund it all, we should have put more money into child care even if it meant less money in job training, because there were States that had programs for that, and that you can't expect someone to leave their children and go to work if they have to worry about the safety of the children or if they'll actually fall behind economically for doing it because they don't have child care. We now have a broad consensus on that.

When Governor Thompson and Governor Dean and others came to the White House to the Welfare Reform Conference in January, I was very moved at the broad consensus that while we needed more State flexibility, in one area we had to have more national action and that was on standards for child support enforcement, for the simple reason that over a third of all delinquent child support cases are multi-State cases and there is no practical way to resolve that in the absence of having some national standards. If everybody who could pay their child support and who is under an order to do it, did it, we could lift 800,000 people off the welfare rolls tomorrow. That is still our greatest short-term opportunity, and we all need to do what we can to seize it.

There's also a pretty good consensus on what we shouldn't do. I think most Ameri-

cans believe that while we should promote work and we should fight premature and certainly fight out-of-wedlock pregnancy, it is a mistake to deny people benefits—children benefits—because their parents are under age and unmarried, just for example. And I think most Americans are concerned that the long-term trend in America, that's now about 10 years long, toward dramatic decline in the abortion rate might turn around and go up again, at least among some classes of people, if we pass that kind of rule everywhere in the country.

So I think there is a common ground to be had on welfare reform. I proposed a welfare reform bill in 1994 which I thought achieved the objectives we all needed. I thought it would do what the States need to do. I thought it would set up time limits. It would have requirements for responsible behavior for young people, requiring them to stay at home and stay in school. It would have supported the efforts of States through greater investments in child care and would have given much greater flexibility. It didn't pass.

In the State of the Union this year I asked the new Congress to join me in passing a welfare reform bill. It still hasn't passed because, unfortunately, in 1995 there have been ideological and political in-fights that have stalled progress on welfare reform and have prevented the majority, particularly in the Senate, from taking a position on it.

Some of the people on the extreme right wing of the Republican majority have held this issue hostage because they want to force the States to implement requirements that would deny benefits to young, unmarried mothers and their children. But I believe it's better to require young people to stay at home, stay in school, and turn their lives around, because the objective is to make good workers, good parents, good citizens, and successful children. That's what we're all trying to do.

So I'm against giving the States more mandates and less money, whether the mandates come from the right or the left. I'm also opposed to the efforts in Congress now to cut child care because, I say again, the biggest mistake we made in the Welfare Reform Act of '88 was not doing more in child care. We

would have had far greater success if we had invested more money then in child care for people on welfare.

Now, I believe that it would be a mistake—if we cut child care and do all this other stuff, we could have more latchkey children, we could have more neglected children. And there are all kind of new studies coming out again saying that the worst thing in the world we can do is not to take the first 4 years of a child's life and make sure that those years are spent in personal contact with caring adults, where children can develop the kind of capacities they need. So this is a very big issue if your objective for welfare reform is independence, work, good parenting, and successful children.

Now, you know I believe all this. That's why we worked so hard to grant all these waivers, more in 2½ years than in the past 12 years combined. But I also have to tell you that I'm opposed to welfare reform that is really just a mask for congressional budget cutting, which would send you a check with no incentives or requirements on States to maintain your own funding support for poor children and child care and work.

And I do believe honestly that there is a danger that some States will get involved in a race to the bottom, but not, as some have implied, because I don't have confidence in you, not because I think you want to do that, not because I think you would do it in any way if you could avoid it, but because I have been a Governor for 12 years in all different kinds of times and I know what kinds of decisions you are about to face if the range of alternatives I see coming toward you develop.

I know, with the big cuts now being talked about in Congress in Medicaid, in other health and human services areas, in education, in the environment, that you will have a lot of pressure in the first legislative session after this budget comes down. And I know that somewhere down the road, in the next few years, we'll have another recession again.

And it's all right to have a fund set aside for the high-growth States. I like that; it's a good idea. But what happens when we're not all growing like we are now and we were last year? What happens the next time a recession comes down? How would you deal

with the interplay in your own legislature if you just get a block grant for welfare, with no requirement to do anything on your own, and the people representing the good folks in nursing homes show up and the people representing the teachers show up and the people representing the colleges and universities show up and the people representing the cities and counties who've lost money they used to get for environmental investments show up?

I don't know what your experience is, but my experience is that the poor children's lobby is a poor match for most of those forces in most State legislatures in the country, not because anybody wants to do the wrong thing, but because those people are deserving, too, and they will have a very strong case to make. They will have a very strong case to make.

So I believe we ought to have a continuing partnership, not for the Federal Government to tell you how to do welfare reform, but because any money we wind up saving through today's neglect will cost us a ton more in tomorrow's consequences. And this partnership permits you to say, at least as a first line of defense, we must do this for the poor children of our State.

I also believe there is a better way to deal with this. And I'd like to say today, I come to you with essentially two messages, one I hope we will all do with Congress and one that we can do without regard to Congress.

First, we do need to pass a welfare reform bill that demands work and responsibilities and gives you the tools you need to succeed: tough child support enforcement, time limits in work requirements, child care, requiring young mothers to live at home and stay in school, and greater State flexibility.

The work plan proposed by Senators Daschle, Breaux, and Mikulski ends the current welfare system as we know it and replaces it with a work-based system. I will say again, the biggest shortcoming, I believe, of the bill that I helped write, the Family Support Act of 1988—on your behalf or your predecessors—was that we did not do enough in the child care area. The Work First bill gives States the resources to provide child care for people who go to work and stay there. It rewards States for moving peo-

ple from welfare to work, not simply for cutting people off welfare rolls. It is in that sense real welfare reform.

I know a lot of you think it has too many prescriptions, and I want to give you the maximum amount of flexibility, but it certainly is a good place to start to work on bipartisan efforts to solve this problem. And I will say again, to get the job done, we've got to have a bipartisan effort to do it.

I want to compliment Senator Dole for what he said here today. I made a personal plea to Senator Dole not very long ago to try to find a way to make a break from those who were trying to hold the Republican conference in the Senate hostage on this welfare reform issue so that we could work together. And today, if I understand his remarks—and I've read the best account of them I can—he proposed getting rid of ideological strings in requirements on States and giving States more say in their programs. And that is a very good start for us to work together.

Some of you may agree with him instead of me on that, but as I understand it, he also proposes a flat block grant with no requirement for States maintaining their present level of effort or no maintenance of effort requirement of any kind. As I said, maybe it's just because I have been a Governor, I think this is a very bad idea. I don't think we should do this, because this program, after all, is called Aid to Families with Dependent Children, not aid to States with terrible budget problems created by Congress. *[Laughter]*

But while we have differences, Senator Dole's speech today, given what's been going on up there, offers real hope that the Congress can go beyond partisan and ideological bickering and pass a strong bipartisan welfare reform bill. The American people have waited for it long enough. We ought to do it. I am ready to go to work on it. And I consider this a very positive opening step.

I hope, again I will say, that you will consider the great strengths of the Daschle-Breaux-Mikulski bill, which I also believe is a very positive opening step and shows you where the entire Democratic caucus in the Senate is. They presently all support that.

My second message to you is, we don't have to wait for Congress to go a long way

toward ending welfare as we know it; we can build on what we've already done. Already you are and we are collecting child support at record levels. Earlier this year, I signed an Executive order to crack down on Federal employee delinquency in child support, and it is beginning to be felt. Already in the last 2½ years, our administration has approved waivers for 29 States to reform welfare your way. The first experiment we approved was for Governor Dean to make it clear that welfare in Vermont would become a second chance, not a way of life. Governor Thompson's aggressive efforts in Wisconsin, which have been widely noted, send the same strong message.

Now, we can and we should do more, and we shouldn't just wait around for the congressional process to work its way through. We can do more based on what States already know will work to promote work and to protect children. Therefore today I am directing the Secretary of Health and Human Services to approve reforms for any State on a fast track that incorporate one or more of the following five strategies.

First, requiring people on welfare to work and providing adequate child care to permit them to do it. Delaware recently got an approval to do this, so have several other States. Why not all 50?

Second, limiting welfare to a set number of years and cutting people off if they turn down jobs. Florida got approval to limit welfare, provide a job for those who can't find one, and cut off those who refuse to work; so did 14 other States. Why not all 50?

Third, requiring fathers to pay child support or go to work to pay off what they owe. Michigan got approval to do this, so did 13 other States. Taxpayers should not pay what fathers owe and can pay. Why not all 50 States?

Fourth, requiring underage mothers to live at home and stay in school. Teen motherhood should not lead to premature independence unless the home is a destructive and dangerous environment. The baby should not bring the right and the money to leave school, stop working, set up a new household, and lengthen the period of dependence, instead of shortening it. Vermont got approval

to stop doing this, so did five other States. Why not all 50?

And finally, permitting States to pay the cash value of welfare and food stamps to private employers as wage subsidies when they hire people to leave welfare and go to work. Oregon just got approval to do this, so did Ohio and Mississippi. Arizona and Virginia can do it as well. Why not all 50 States? This so-called privatizing of welfare reform helps businesses to create jobs, saves taxpayers money, moves people from welfare to work, and recognizes that in the real world of this deficit we're not going to be able to have a lot of public service jobs to people who can't go to work when their time limits run out. I think this has real promise.

So I say to you today, if you pass laws like these or come up with plans like these that require people on welfare to work, that cut off benefits after a time certain for those who won't work, that make teen mothers stay at home and stay in school, that make parents pay child support or go to work to earn the money to do it, or that use welfare benefits as a wage supplement for private employers who give jobs to people on welfare, if you do that, you sign them, you send them to me, and we will approve them within 30 days. Then we will have real welfare reform even as Congress considers it.

To further support your actions, I am directing the Office of Management and Budget to approve a change in Federal regulations so that States can impose tougher sanctions on people who refuse to work. Right now, when a State reduces someone's welfare check for failing to hold up their end of the bargain, the person's food stamp benefit goes up. So it turns out not to be much of a sanction. We're going to change that. If your welfare check goes down for refusal to work, your food stamp payment won't go up anymore.

Finally, as another downpayment on our commitment to our partnership with you on welfare reform, today our administration has reached agreement on welfare reform experiments for West Virginia, Utah, Texas, and California. Massachusetts has a sweeping proposal on which agreement has been reached on every issue but one—as I understand it, we're getting much closer there. The

West Virginia proposal helps two-parent families go to work. Utah provides greater work incentives but tougher sanctions for those who turn down work. California has adopted the New Jersey system of the family cap. Texas has a very interesting proposal to require parents on welfare to prove that their children have been immunized to continue to draw the benefits.

And I would say, just in response to this, this will now, obviously, bring us to 32 States, and I think soon to be 33 States, with these kinds of experiments. We also are announcing food stamps experiments today as applied for by Delaware and Virginia.

All of these are designed to promote work and responsibility without being stifled by Washington's one-size-fits-all rule. But I think we need to accelerate this process. I don't like the so-called Mother-may-I aspect of the waiver system, either. That's why I say, if you act in these five areas, under the law you have to file an application for an experiment, but it will be approved within 30 days.

And I want to identify other areas like this. This Texas immunization idea is very important. We have lower immunization rates than any advanced country in the world. We are moving hard at the national level to make sure that the vaccines are affordable. Texas was the first State to use national service workers, AmeriCorps volunteers, in the summer of '93 to immunize over 100,000 children. And since then they've immunized another 50,000. But if you were to require it of people on public assistance, it would have a big impact on getting those numbers up, I believe. So, as we begin to get more information about this and other things, we will be issuing other reforms that if you just ask for them, we'll say yes within 30 days. This is very important.

Now, let me be clear. Congress still does need to pass national legislation. Why? Because I don't think you ought to have to file for permission every time you do something that we already know has worked and that other States are doing. Because we do need national child support standards, time limits, work requirements, and protections for children. And we do need more national support for child care.

I hope these efforts that I'm announcing today will spur the Congress to act. But we don't have to wait for them, and we shouldn't. We can do much more. If every State did the five things that I mentioned here today, every State, we would change welfare fundamentally and for the better. And we ought to begin it, and we shouldn't wait for Congress to pass a law.

There is common ground on welfare. We want something that's good for children, that's good for the welfare recipients, that's good for the taxpayers, and that's good for America. We have got to grow the middle class and shrink the under class in this country. We cannot permit this country to split apart. We cannot permit these income trends which are developing to continue. We have to change it. You will not recognize this country in another generation if we have 50 years, instead of 20 years, in which half of the middle class never gets a raise and most of the poor people are young folks and their little kids. We have to change it. And we can do it.

But we have to remember what we're trying to do. We're trying to make the people on welfare really successful as workers and parents. And most important, we're trying to make sure this new generation of children does better.

A few months ago I was down in Dallas, visiting one of our AmeriCorps projects. And I saw two pictures that illustrate why I think this issue is so important. One, I was walking with a young woman who was my tour guide on this project. She was a teen mother, had a child out of wedlock, thought she had done the wrong thing, went back and got her GED, and was in the AmeriCorps program because she wanted to work in this poor community to help them and earn money to go to college. But the second person I met was the real reason we ought to be working for welfare reform. I met a young woman who was very well-spoken. She told me she had just graduated from a university in the Southeast. But she was working on this anyway, even though she really didn't have to go on to college anymore. And I said, "Why are you doing this?" She said, "Because I was born into a family of a welfare mother. But I had a chance to get a good education; I

got a college degree. And I want these young people to come out like I did.”

Now, that’s the kind of citizen we want in this country. Those are the kind of people that will turn these disturbing trends around. Those are the kind of people that will enable us to come together and go forward into the future.

We owe them that. And we can do it. You and I can do it now. Congress can do it this year. And every one of us ought to do our part.

Thank you, and God bless you.

NOTE: The President spoke at 2:45 p.m. at the Sheraton Burlington Hotel. In his remarks, he referred to Gov. Howard Dean of Vermont, chair, and Gov. Tommy Thompson of Wisconsin, vice-chair, National Governors’ Association; and Mayor Peter C. Brownell of Burlington, VT.

Statement on Oil and Gas Drilling on the Outer Continental Shelf

July 31, 1995

The Government today has reached an agreement protecting sensitive coastal areas off Florida and Alaska from oil drilling, which has been prohibited since 1988, through Democratic and Republican Presidencies.

Concern for our coasts is part of the common ground we share as Americans, not only in the areas protected today but in places as different as California, Massachusetts, Oregon, New Jersey, and Washington. Once sensitive areas are damaged—beaches, the fishing industry, tourism—our natural heritage suffers greatly.

This settlement is good for the environment, good for taxpayers, good for the economy, and fair to the oil companies.

I am pleased that Secretary Babbitt and Attorney General Reno reached this agreement with the oil companies. We celebrate today with the citizens of Florida and Alaska, and I pledge continued protection of our coasts.

Executive Order 12967— Establishing an Emergency Board to Investigate Disputes Between Metro North Commuter Railroad and Its Employees Represented by Certain Labor Organizations

July 31, 1995

Disputes exist between Metro North Commuter Railroad and certain employees represented by certain labor organizations. The labor organizations involved in these disputes are designated on the attached list, which is made a part of this order.

The disputes have not heretofore been adjusted under the provisions of the Railway Labor Act, as amended (45 U.S.C. 151 *et seq.*) (the “Act”).

Parties empowered by the Act have requested that the President establish a second emergency board pursuant to section 9A of the Act (45 U.S.C. 159a).

Section 9A(e) of the Act provides that the President, upon such request, shall appoint a second emergency board to investigate and report on the disputes.

Now, Therefore, by the authority vested in me as President by the Constitution and the laws of the United States of America, including section 9A of the Act, it is hereby ordered as follows:

Section 1. Establishment of the Board. There is established effective July 31, 1995, a board of three members to be appointed by the President to investigate these disputes. No member shall be pecuniarily or otherwise interested in any organization of railroad employees or any carrier. The board shall perform its functions subject to the availability of funds.

Sec. 2. Report. Within 30 days after creation of the board, the parties to the disputes shall submit to the board final offers for settlement of the disputes. Within 30 days after submission of final offers for settlement of the disputes, the board shall submit a report to the President setting forth its selection of the most reasonable offer.

Sec. 3. Maintaining Conditions. As provided by section 9A(h) of the Act, from the

time a request to establish a board is made until 60 days after the board makes its report, no change, except by agreement, shall be made by the parties in the conditions out of which the disputes arose.

Sec. 4. Records Maintenance. The records and files of the board are records of the Office of the President and upon the board's termination shall be maintained in the physical custody of the National Mediation Board.

Sec. 5. Expiration. The board shall terminate upon submission of the report provided for in section 2 of this order.

William J. Clinton

The White House,
July 31, 1995.

[Filed with the Office of the Federal Register, 4:52 p.m., July 31, 1995]

NOTE: This Executive order, with its attached list, was published in the *Federal Register* on August 2.

Memorandum on Assistance to the United Nations Rapid Reaction Force in Bosnia

July 31, 1995

Presidential Determination No. 95-33

Memorandum for the Secretary of State; the Secretary of Defense

Subject: Determination to Authorize the Furnishing of Emergency Military Assistance to the United Nations for Purposes of Supporting the Rapid Reaction Force in Bosnia Under Section 506(a)(1) of the Foreign Assistance Act

Pursuant to the authority vested in me by section 506(a)(1) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2318 (a)(1) (the "Act"), I hereby determine that:

- (1) an unforeseen emergency exists, which requires immediate military assistance to an international organization; and
- (2) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except section 506 of the Act.

Therefore, I hereby authorize the furnishing of up to \$3,000,000 in defense articles and defense services from the Department of Defense to the United Nations for purposes of supporting the Rapid Reaction Force in Bosnia.

The Secretary of State is authorized and directed to report this determination to the Congress and to arrange for its publication in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 11:21 a.m., August 4, 1995]

NOTE: This memorandum was published in the *Federal Register* on August 7.

Remarks on Congressional Action on Appropriations Legislation and an Exchange With Reporters

August 1, 1995

The President. Good morning. Looking over the last few days, it is clear that this Congress is on the wrong track. I began the year hoping to make bipartisan progress on balancing the budget, on reducing paperwork, reforming regulation and welfare. And therefore, I was very pleased last week when a bipartisan majority voted to reject the extreme anti-environment provisions adopted in the House committee. That was the right thing to do.

But then the lobbyists for the polluters went to work. They got the leadership of the House of Representatives to call the bill back up. And last night, in a remarkable exercise of special interest power, the House voted to gut environmental and public health protections. It was a stealth attack on our environment in the guise of a budget bill.

The bill would effectively end Federal enforcement of the Clean Water Act and the Clean Air Act, a bill that my Republican predecessor said was his proudest legislative achievement. It allows poisons in our drinking water, raw sewage on our beaches, oil refineries to pollute, and limits a community's right to know what chemicals are toxic which are released in their neighborhoods. It would be bad for our children, our health, and our environment.

This is Washington special interest politics at its most effective and at its worst. Even before the 17 special interest provisions were added, the bill had already dramatically undercut environmental protection by cutting environmental enforcement in half.

You don't need to damage the environment to balance the budget. Our budget demonstrates that, and the budget the American people get out of this session of Congress ought to demonstrate that. In the past few days, a battalion of lobbyists has swarmed Capitol Hill, exerting enormous pressure to save these loopholes. I said I would use the power of my office to help people, not polluters. I believe we can protect the environment and grow the economy.

So on this so-called environmental bill, my message to the American people should be very, very clear: Don't worry. We'll make commonsense reforms. But the minute this polluter's protection act hits my desk, I will veto it.

One of the most interesting things that has achieved not too much notice in the last few days is that while Congress has been taking care of the special interests, it's also taking care of itself. It is way behind schedule on virtually every budget bill, in the hope, apparently, of enforcing a choice at the end of this fiscal year between shutting the Government down and adopting extreme budget cuts which will be bad for our country, bad for our economy, and bad for our future. Apparently, they don't even plan on letting the American people see their planned Medicare cuts until the last possible minute. But one bill, wouldn't you know it, is right on schedule—the bill that funds the Congress, its staff, and its operations.

I don't think Congress should take care of its own business before it takes care of the people's business. If the congressional leadership follows through on its plan to send me its own funding bill before it finishes work on the rest of the budget, I will be compelled to veto it.

I want to work with Congress to pass a balanced budget that protects the health and the security of the American people, a balanced budget that strengthens our economy and raises the incomes of our people and the future prospects of our children. But we have

to remember in order to do this that all the special interests have to be subordinated to the broader public interest. That is not happening now, but we can still get things back on track. That's what I want to do, and I still ask, again, the Congress to work with me to do it.

Helen [Helen Thomas, United Press International].

Opposition From Congress

Q. Mr. President, your policies and your judgment calls appear to be under siege on Capitol Hill, Waco, Whitewater, Bosnia, social programs, and so forth. How debilitating has this been on you personally, on your administration, on the country? And obviously, you're whistling in the dark if you think you're going to have common ground.

The President. I disagree. It's not been debilitating; it's been invigorating. And I wouldn't be so surprised. There are two significant things that—I would say big issues—that have become clear in the last few days. One is you can see who's in control in this Congress, who's in control of the people that compelled this unusual revolt on the environmental issues. You see the story on the NRA today: No gun control measures will be voted out of committee or on the floor of the House. I'm sure glad we got the Brady bill and the assault weapons ban first, and I still think we ought to have a ban on the cop-killer bullets. You see—we're investigating—this Congress is investigating the AARP and letting the NRA run one of its own investigations. So you see who's in control. That's the first thing you see.

The second thing you see is more hopeful. There were, after all, 50 Republicans who broke ranks in the House and said that they would put the environment ahead of party. Senator Dole yesterday said that—in Vermont at the Governors' conference—that he wanted to pass a welfare reform bill free of the extremist provisions which the members of his caucus, some of them, had demanded that he put on a welfare reform bill. And so we may be moving toward finding common ground in welfare reform.

So you see two things. You see who's in control, and it's not good. You see some people feeling uncomfortable about it, and we

may be able to make some progress. And so I don't think we know what the outcome will be.

Waco Hearings

Q. There's a report today that Mack McLarty said in a memo that there would be no significant action on Waco without White House approval. When did you know of the plan to tear-gas the compound, and did you personally approve it?

The President. Mr. Mikva has said in the letter exactly what my role in that was, and it's consistent with what I've said all along. And I don't have anything new to add to that.

Bosnia

Q. Mr. President, have you made a final decision that there will be no retaliation for the shoot-down of Captain O'Grady? And if so, why not?

The President. I have no comment on that.

Political Reform Commission

Q. Mr. President, speaking of special interests, do you feel that the Speaker is dragging his feet on the bipartisan campaign finance reform commission? And what else are you willing to do to make sure that that happens?

The President. Dragging his feet is an apt, but inadequate, description of what has happened. [Laughter] I mean, we shook hands on that in New Hampshire. I thought it was a fairly simple deal. The man said—the gentleman who asked us the question, he said “Why don't you guys do a base closing commission.” We said okay. Five days later I wrote a letter to the Speaker. I didn't get an answer. Five weeks later, I wrote—I said, again, okay, here are two people that are the kind of people that I would put on this commission, and I'd like for them to get with someone you designate, and we'll set it up—Doris Kearns Goodwin and John Gardner. Those are pretty respectable Americans. So far, they have not gotten any response or had any success either.

So we're going to keep trying. I mean, I think that it is wrong to say you're going to do something and not do it. So I hope we can do it.

Q. Have you met with them—have you met with the two of them already, Goodwin and—

The President. I have not, but we've obviously been in touch with them. And we're trying to—we're going to keep pushing until we get an answer one way or the other. If the Speaker does not want to do this, he ought to say that he has no intention of doing it. But we shouldn't just let it hang out here. What we ought to do is to do it.

Whitewater Hearings

Q. Mr. President, is there anything you or the First Lady could do to end all of the hearings on the continuing interest in the Whitewater business, especially in the aftermath of the Vince Foster suicide? For example, there's a proposal in Newsweek magazine by Joe Klein that Mrs. Clinton volunteer to testify before the committees to explain her role.

The President. I don't know what in the world we could do. I mean there's basically been this big—you know, I don't have anything new to add. We've answered all the questions. There has been a \$3.6 million RTC investigation which basically says that what we said was there all the time. You know, no one questions—no serious person questions all the reports on whether Vince Foster committed suicide or not. I don't know what to do. I think these hearings will proceed and our people will cooperate, and we'll just see what happens.

Yes, Bill [Bill Plante, CBS News].

Bosnia

Q. Mr. President, we know that you just met with the leadership to try and make your veto of the Bosnia arms embargo lifting stick. But in the event that it doesn't, and not knowing as we speak what the size of the margin is going to be, what's the next step? What else would you look to do?

The President. Well, whatever the vote is, we still might sustain a veto. But I was encouraged by a few people who told me that they had decided on reflection that it was not the thing to do now. The Rapid Reaction Force, after all, is showing some strength there. And I would remind you that the only thing that has ever worked in the last 2½

years is when the Bosnian Serbs thought the United Nations would permit NATO and the Americans who are working with NATO to use air power to stop the aggression so that there would have to be a negotiated settlement. And in the last several days, the last couple of weeks in Gorazde, you know, we've gotten five convoys through; there has been no assault on it.

And I think that this new strategy will work if we can hammer out a negotiated settlement and there's a new effort there. So I believe that is the best strategy. I've said it all along, and I haven't changed my position. I'm going to try to see that position prevail.

Whitewater and Waco Hearings

Q. Mr. President, on both the ongoing hearings, Waco and Whitewater, are you convinced and can you say for the record that everything that is going to come out is out vis-a-vis where you stand in the White House and your policy decisions on both?

The President. As far as I know—we have not added anything new to what was already known, but as far as I know we have been totally forthcoming and have said everything there is to be said on it.

Telecommunications Reform

Q. Mr. President, can you tell us, first of all, why you want to veto the telecommunications bill? I understand that you're concerned about concentration of media power. And in regard to that, can you comment on the merger yesterday between ABC and Walt Disney and the proposed merger that may happen today between CBS and Westinghouse and whether you see this concentration of power happening?

The President. Well, I think first of all, you have to take—on these mergers, under our law and as a matter of economics, you have to take them case by case and analyze them. And all I know about the proposed mergers is what I read this morning when I woke up. So I can't comment on that.

I do think it would be an error to set up a situation in the United States where one person could own half the television stations in the country or half of the media outlets. And we don't have a fairness doctrine anymore, and we don't have—particularly if we

took the Federal Government out of—all the Federal agencies out of any kind of maintenance of competition or maintenance of competitive environment, by taking the Justice Department out of it, for example.

I would remind you that we have the most successful telecommunications operations in the world partly because we have had the proper balance between a highly competitive environment and an openness to new forces and new technologies and new entries in it from all around the world.

I want very badly to sign a telecommunications bill. We tried to pass one, this administration did, during the last session of Congress. One of the interest groups affected by this great drama that's unfolding in the telecommunications area prevented, through its supporters in the Senate, prevented the bill from passing in the last session of Congress. I hope we can get it, but we want to get it right.

The Vice President has done a lot of work on this over the years. He and I have talked about this at great length. And we have negotiated in good faith with the Congress to try to get it right. We want very much to sign a bill. We believe it will be good for the American economy and good for the American consumers if it's the right kind of bill. So we'll keep working on it.

Thank you.

NOTE: The President spoke at 11:17 a.m. in the Briefing Room at the White House.

Teleconference Remarks to the Fraternal Order of Police

August 1, 1995

Thank you very much, Dewey. I'm going to miss those introductions. I want to thank you for your 8 years of strong leadership as the national president of the Fraternal Order of Police. It gives me great pleasure to present you a Presidential commendation for your distinguished service to the Nation, which I believe the Attorney General will personally deliver to you tomorrow.

I also want to thank the other departing board members for all the hard work that you have done to help us strengthen law enforcement around the country. I understand

that the elections to succeed all of you folks are on Thursday, so let me say as a fellow candidate, I want to wish the other candidates the best of luck and offer every one of them my heartfelt sympathy. I know how tough the last couple of days before an election can be; I've been there.

Your new president will lead the FOP into a better, safer world for law enforcement; a better, safer world because of the hard work of people like Dewey Stokes; a better, safer world because of the partnership our administration has been privileged to forge with you and with men and women in law enforcement all across our great country.

In the years before I came to Washington, it was clear that those of you who put your lives on the line to protect the rest of us were simply not getting the tools you needed to get the job done. The facts spoke for themselves. Crime was going up, but the number of police was staying the same or falling in so many cities and rural areas. It was a dangerous ratio.

I also had a lot of personal experience as a guide. As attorney general and then as a Governor, I went to too many funerals for police officers who were friends of mine killed in the line of duty. When I became President, I knew we all had to do more. So I came to Washington with a clear agenda: more police, guns out of the hands of criminals, an emphasis on community policing and other strategies to build stronger neighborhoods and to stop crimes before they happen. Working together, we have turned that agenda into law.

You and I and others who are on our side broke 6 years of gridlock and passed a crime bill that was written with the help of police officers all across America. We knew we needed more police officers, so we're putting 100,000 more police on the street. Already we've boosted your ranks by awarding more than 20,000 new police officers to over half the departments in the United States. We knew we had to get deadly assault weapons out of our lives, so we banned 19 types of assault weapons, weapons that target police officers and children. At the same time, we protected about 650 hunting and sporting weapons specifically.

We knew too many criminals were getting too many chances to do harm, so now we have "three strikes and you're out," and it's being enforced around the country. We knew there had to be zero tolerance for killing a law enforcement officer, so now in Federal law, we have the death penalty for anyone who murders a police officer. We also passed the Brady bill, which languished in Congress for 7 years. Last year alone, this common-sense law prevented more than 40,000 felons and fugitives from purchasing handguns.

And in June, I announced my support of legislation to ban armor-piercing bullets. Our current laws control ammunition based on what it's made of, and that's not good enough. Too many lethal bullets still slip through the cracks. This legislation will change that. It will see to it that we judge ammunition not on the basis of what's in it but on the harm it can do. If it can rip through a bulletproof vest like a knife through butter, then it should be history, no matter what it's made of.

These measures are helping you bring safety and security back to the lives of millions of Americans and helping you to be somewhat safer while you're doing that very difficult job.

And you have made a phenomenal amount of progress. Crime is down in major cities all around the country. Last Sunday, the New York Times reported that the dramatic drop in crime in New York City is a direct result of sensible gun laws, increased police presence, and a focus on hot spots, on the areas with high crime rates. A study the Justice Department sponsored in Kansas City yielded similar results: target an area, get rid of the guns, intimidate the criminals, the crime goes down. We are making progress.

But you and I both know we've got a lot more to do, because even as the overall crime rates drop, the rate of random violence among young people is still going up—dramatically in many places. As a parent, I am sick and tired of seeing stories like the one I read recently about a 16-year-old boy who shot a 12-year-old boy dead because he thought he'd been treated with disrespect by the younger boy. This story came just days after a national survey in which an unbelievable two-thirds of young gang members said

they thought it was actually acceptable to shoot someone if they treated you with disrespect.

As long as there are stories like this, as long as young people are more likely to be both the victims and the perpetrators of crime, as long as casual drug use among our children is rising even as overall hard drug use goes down, as long as there are children who have never been taught the difference between right and wrong, we'll all have more work to do.

And that's why I'm troubled by so much of what's going on here in Washington. We have to balance the budget, all right, but there are some in Congress who would do it by tipping the balance against law enforcement. They would replace our efforts to put 100,000 new police officers on the street with a block grant that doesn't require a single new officer to be hired. They want to cut 23 million students out of our safe and drug-free schools initiative—out of the programs that so many of you bring to our schools every day all across America. And literally, they want to shut down the National Office of Drug Control Policy.

We can't give up on the war on drugs. And we can't back off of our support for law enforcement. And the truth is, we don't need to sacrifice these national priorities to balance the budget. We can continue to implement the crime bill and balance the budget. The only thing we'd have to do is to give up on an unnecessarily huge tax cut and to take a little longer to balance the budget. Now that luxury seems a small price to pay for necessities like balancing the budget and strengthening law enforcement at the same time.

And believe it or not, there are still some in Congress who want to repeal the Brady bill and lift the ban on assault weapons. Let me be clear: These attempts to roll back the clock are misguided. We cannot turn back in the fight against crime. There are still too many streets in America where our children are afraid to stand at a bus stop, too many neighborhoods where our seniors are fearful of going to the grocery store, too many communities where families are scared to head outside for a walk on a warm summer evening.

So those in Congress who would attempt to repeal the Brady bill or the assault weapons ban or our pledge to put 100,000 new police officers on the street, let me say one more time: You're going nowhere fast. If you do succumb to the political pressure from extremist groups to repeal any of these measures, I will veto them in a heartbeat.

On these issues I have a simple pledge. I won't let any bill pass my desk that hurts you or the people you protect. That's a good American standard. We all ought to judge our conduct by it.

You know, this has been a difficult period for law enforcement. You seem to be under assault from many fronts. Like people from every walk of life, police officers sometimes do make mistakes and have to deal with the consequences. But unlike other citizens, you also put your lives on the line for the rest of us every day. I'm reminded of a T-shirt that people in Oklahoma City made after the terrible bombing there. It read, "A society that makes war against its police had better learn to make friends with criminals." That's the fact.

I'm sorry I can't be with you in person today, but I want you to have no doubt I am still standing shoulder to shoulder with you in the battle against crime and violence. It threatens us all every day, every night, and you're trying to do something about it. As long as you are, I'll be with you for as long as I'm here.

Thank you, and God bless you all.

NOTE: The President spoke by satellite at 12:45 p.m. from Room 459 of the Old Executive Office Building to the FOP conference in Virginia Beach, VA.

Statement on Proposed Telecommunications Reform Legislation

August 1, 1995

My administration is committed to enactment of a telecommunications reform bill in this Congress. Such legislation is needed to stimulate investment, promote competition, provide open access to information networks, strengthen and improve universal service, and provide for flexible regulations for this

important industry. Consumers should receive the benefits of lower prices, better quality, and greater choices in their telephone and cable services, and they should continue to benefit from a diversity of voices and viewpoints in radio, television, and the print media.

Unfortunately, H.R. 1555, as reported by the Commerce Committee and amended by the managers' amendment, does not reach any of these goals. Instead of promoting investment and competition, it promotes mergers and concentration of power. Instead of promoting open access and diversity of content and viewpoints, it would allow fewer people to control greater numbers of television, radio, and newspaper outlets in every community.

H.R. 1555 with the managers' amendment would:

- allow a single owner to acquire television stations that can reach 50 percent of the Nation;

- allow the acquisition of an unlimited number of radio stations in every community and across the Nation;

- repeal the newspaper/broadcast and broadcast/cable cross-ownership bans that currently exist;

- permit the Bell Operating Companies to offer long distance service before there is real competition in local service, with less-than-minimum structural safeguards and without requiring a determination by the Department of Justice that entry will not impede competition;

- allow an excessive number of in-region buyouts between telephone companies and cable operators, substituting consolidation for competition and leaving consumers in rural areas and small towns with no rate protection in most cases and no foreseeable expectation of competition;

- deregulate cable programming services and equipment rates before cable operators face real competition and without providing any consumer protection provision after deregulation;

- preempt the States from implementing certain rate regulation schemes and opening their local phone markets to certain types of competition as they choose; and

- not include the V-chip proposal the Senate adopted.

The cumulative effect of these provisions would be to harm competition and to weaken the benefits to the public. If H.R. 1555 with the managers' amendment is sent to me without deletion or revision of a significant number of these provisions I will be compelled to veto it in the best interests of the public and our national economic well-being.

Memorandum on Timber Salvage Legislation

August 1, 1995

Memorandum for the Secretary of the Interior; the Secretary of Agriculture; the Secretary of Commerce; the Administrator, Environmental Protection Agency

Subject: Implementing Timber-Related Provisions to Public Law 104-19

On July 27th, I signed the rescission bill (Public Law 104-19), which provides much-needed supplemental funds for disaster relief and other programs. It also makes necessary cuts in spending, important to the overall balanced budget plan, while protecting key investments in education and training, the environment, and other priorities.

While I am pleased that we were able to work with the Congress to produce this piece of legislation, I do not support every provision, most particularly the provision concerning timber salvage. In fact, I am concerned that the timber salvage provisions may even lead to litigation that could slow down our forest management program. Nonetheless, changes made prior to enactment of Public Law 104-19 preserve our ability to implement the current forest plans' standards and guidelines, and provides sufficient discretion for the Administration to protect other resources such as clean water and fisheries.

With these changes, I intend to carry out the objectives of the relevant timber-related activities authorized by Public Law 104-19. I am also firmly committed to doing so in ways that, to the maximum extent allowed, follow our current environmental laws and programs. Public Law 104-19 gives us the discretion to apply current environmental standards to the timber salvage program, and

we will do so. With this in mind, I am directing each of you, and the heads of other appropriate agencies, to move forward expeditiously to implement these timber-related provisions in an environmentally sound manner, in accordance with my Pacific Northwest Forest Plan, other existing forest and land management policies and plans, and existing environmental laws, except those procedural actions expressly prohibited by Public Law 104-19.

I am optimistic that our actions will be effective, in large part, due to the progress the agencies have already made to accelerate dramatically the process for complying with our existing legal responsibilities to protect the environment. To ensure this effective coordination, I am directing that you enter into a Memorandum of Agreement by August 7, 1995, to make explicit the new streamlining procedures, coordination, and consultation actions that I have previously directed you to develop and that you have implemented under existing environmental laws. I expect that you will continue to adhere to these procedures and actions as we fulfill the objectives of Public Law 104-19.

William J. Clinton

Message to the Congress on Iraq

August 1, 1995

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of February 8, 1995, concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

Executive Order No. 12722 ordered the immediate blocking of all property and interests in property of the Government of Iraq (including the Central Bank of Iraq) then or thereafter located in the United States or within the possession or control of a U.S. person. That order also prohibited the importation into the United States of goods and services of Iraqi origin as well as the exportation

of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contract in support of any industrial, commercial, or governmental project in Iraq. United States persons were also prohibited from granting or extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the blocking of Government of Iraq property) were continued and augmented on August 9, 1990, by Executive Order No. 12724, which was issued in order to align the sanctions imposed by the United States with United Nations Security Council Resolution 661 of August 6, 1990.

Executive Order No. 12817 was issued on October 21, 1992, to implement in the United States measures adopted in United Nations Security Council Resolution 778 of October 2, 1992. Resolution 778 requires U.N. Member States to transfer to a U.N. escrow account any funds (up to \$200 million apiece) representing Iraqi-oil sale proceeds paid by purchasers after the imposition of U.N. sanctions on Iraq, to finance Iraq's obligations for U.N. activities with respect to Iraq, such as expenses to verify Iraqi weapons destruction, and to provide humanitarian assistance in Iraq on a nonpartisan basis. A portion of the escrowed funds also funds the activities of the U.N. Compensation Commission in Geneva, which handles claims from victims of the Iraqi invasion and occupation of Kuwait. Member States also may make voluntary contributions to the account. The funds placed in the escrow account are to be returned, with interest, to the Member States that transferred them to the United Nations, as funds are received from future sales of Iraqi oil authorized by the U.N. Security Council. No Member State is required to fund more than half of the total transfers or contributions to the escrow account.

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order No. 12722 and matters relating to Executive Orders No. 12724 and 12817 (the "Executive orders"). The report covers events from February 2, 1995, through August 1, 1995.

1. During the reporting period, there were no amendments to the Iraqi Sanctions Regulations.

2. The Department of the Treasury's office of Foreign Assets Control ("FAC") continues its involvement in lawsuits seeking to prevent the unauthorized transfer of blocked Iraqi assets. In *Consarc Corporation v. Iraqi-ministry of Industry and Minerals*, a briefing schedule has been set for disposition of FAC's December 16, 1994, appeal of the district court's order of October 17, 1994, transferring blocked property.

Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. There are currently 43 enforcement actions pending, including nine cases referred by FAC to the U.S. Customs Service for joint investigation. Additional FAC civil penalty notices were prepared during the reporting period for violations of the International Emergency Economic Powers Act and Iraqi sanction Regulations with respect to transactions involving Iraq. Three penalties totaling \$8,905 were collected from two banks for funds transfers in violation of the prohibitions against transactions involving Iraq.

3. Investigation also continues into the roles played by various individuals and firms outside Iraq in the Iraqi government procurement network. These investigations may lead to additions to FAC's listing of individuals and organizations determined to be Specially Designated Nationals ("SDNs") of the Government of Iraq.

4. Pursuant to Executive Order No. 12817 implementing United Nations Security Council Resolution 778, on October 26, 1992, FAC directed the Federal Reserve Bank of New York to establish a blocked account for receipt for certain post-August 6, 1990, Iraqi-oil sales proceeds, and to hold, invest, and transfer these funds as required by the Order. On March 21, 1995, following payments by the Governments of Canada (\$1,780,749.14), the European Community (\$399,695.21), Kuwait (\$2,500,000.00), Norway (\$261,758.10), and Switzerland (\$40,000.00), respectively, to the special United Nations-controlled account, entitled "United Nations Security Council Resolution 778 Escrow Account," the Federal Reserve

Bank of New York was directed to transfer a corresponding amount of \$4,982,202.45 from the blocked account it holds to the United Nations-controlled account. Similarly, on April 5, 1995, following the payment of \$5,846,238.99 by the European Community, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$5,846,238.99 to the United Nations-controlled account. Again, on May 23, 1995, following the payment of \$3,337,941.75 by the European Community, \$571,428.00 by the Government of the Netherlands and \$1,200,519.05 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$5,109,888.80 to the United Nations-controlled account. Finally, on June 19, 1995, following the payment of \$915,584.96 by the European Community and \$736,923.12 by the Government of the United Kingdom, the Federal Reserve Bank of New York was directed to transfer a corresponding amount of \$1,652,508.08 to the United Nations-controlled account. Cumulative transfers from the blocked Federal Reserve Bank of New York account since issuance of Executive Order No. 12817 have amounted to \$175,133,026.20 of the up to \$200 million that the United States is obligated to match from blocked Iraqi oil payments, pursuant to United Nations Security Council Resolution 778.

5. The Office of Foreign Assets Control has issued a total of 590 specific licenses regarding transactions pertaining to Iraq or Iraqi assets since August 1990. Licenses have been issued for transactions such as the filing of legal actions against Iraqi governmental entities, legal representation of Iraq, and the exportation to Iraq of donated medicine, medical supplies, food intended for humanitarian relief purposes, the execution of powers of attorney relating to the administration of personal assets and decedents' estates in Iraq, the protection of preexistent intellectual property rights in Iraq and travel to Iraq for the purposes of visiting Americans detained there. Since my last report, 57 specific licenses have been issued.

6. The expenses incurred by the Federal Government in the 6 month period from

February 2, 1995, through August 1, 1995, which are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iraq are reported to be about \$4.9 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of International Organization Affairs, the Bureau of Political-Military Affairs, the U.S. Mission to the United Nations, and the Office of the Legal Adviser) and the Department of Transportation (particularly the U.S. Coast Guard).

7. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwaiti assets stolen during Iraq's illegal occupation of Kuwait, renunciation of terrorism, an end to internal Iraqi repression of its own civilian population, and the facilitation of access of international relief organizations to all those in need in all parts of Iraq. More than 5 years after the invasion, a pattern of defiance persists: a refusal to account for missing Kuwaiti detainees; failure to return Kuwaiti property worth millions of dollars, including military equipment that was used by Iraq in its movement of troops to the Kuwaiti border in October 1994; sponsorship of assassinations in Lebanon and in northern Iraq; incomplete declarations to weapons inspectors; and on-

going widespread human rights violations. As a result, the U.N. sanctions remain in place; the United States will continue to enforce those sanctions under domestic authority.

The Baghdad government continues to violate basic human rights of its own citizens through systematic repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by United Nations Security Council Resolution 688. For more than 4 years, Baghdad has maintained a blockade of food, medicine, and other humanitarian supplies against northern Iraq. The Iraqi military routinely harasses residents of the north and has attempted to "Arabize" the Kurdish, Turcomen, and Assyrian areas in the north. Iraq has not relented in its artillery attacks against civilian population centers in the south or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring States. In April 1995, the U.N. Security Council adopted resolution 986 authorizing Iraq to export limited quantities of oil (up to \$1 billion per quarter) under U.N. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. The resolution includes arrangements to ensure equitable distribution of such assistance to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression and for the funding of other U.N. activities with respect to Iraq. Resolution 986 was carefully crafted to address the issues raised by Iraq to justify its refusal to implement similar humanitarian resolutions adopted in 1991 (Resolutions 706 and 712), such as oil export routes and questions of national sovereignty. Nevertheless, Iraq refused to implement this humanitarian measure. This only reinforces our view that Saddam Hussein is unconcerned about the hardships suffered by the Iraqi people.

The policies and actions of the Saddam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States as well as to regional peace and security. The U.N. resolutions require that the Security Council be assured of Iraq's peaceful intentions in judging its compliance with sanc-

tions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

William J. Clinton

The White House,
August 1, 1995.

Remarks on the Report on the State of American Education and an Exchange With Reporters

August 3, 1995

The President. Good afternoon. I'm glad to be here today with the Vice President and Secretary Reich, Secretary Riley, Deputy Secretary Kunin, Congressman Owens, Congresswoman Pelosi, and all these distinguished education leaders.

The Secretary of Education is going to present me his draft report on the condition of education today. And since the House is about to vote on the education funding bill, I thought it was appropriate to make a brief statement.

This is a critical time for American education for at least two reasons. First of all, everybody knows that the level of education and skills of our work force will determine their ability to get and keep good jobs and to have a secure future. Secondly, the number of children in our schools is once again rising. Today, one in four Americans is in school. The need for skills development is greater than ever, and the number of people who need it is larger than ever.

I have made a proposal on education which shows that you can balance the budget and fully fund education and training in a way that is good for the economy. It's good for the economy to balance the budget; it's good for the economy to invest in education. And it is what we owe to our young people and to older people who need further education and training to get better jobs.

Our balanced budget actually increases education \$41 billion over the next 7 years. The bill being voted on today in the House does exactly the reverse. It dramatically cuts education—\$36 billion. It would take 180,000 children off Head Start. It would

end funding for Goals 2000, which raises standards and shrinks class size, which is terribly important. It would cut one million children who are poor out of the benefits of the Title I program. It would cut 300,000 low-income students out of Pell grants for college. It would target almost 600,000 unemployed and underemployed adults who won't be able to get job-training programs, mostly in their local community colleges, throughout this country. This is wrong. It is simply wrong.

Before this Congress, education and training have been matters of bipartisan common ground. President Bush often talked about how proud he was of increasing Head Start. This is the first time, as far as I know, in the history of the Head Start program when the Congress is poised to reduce the number of children in Head Start.

The school-to-work program is being cut. It's terribly important. There are a lot of young people who don't go to 4-year colleges who need the opportunity to get further training after high school and good jobs. And of course, what is being done to the college programs and the job training programs are simply unacceptable.

So from preschoolers to adults, this bill is a body blow to their future and a body blow to our efforts to create a high-opportunity, high-wage economy, not a hard-work, low-wage economy. This is a decision today that will affect the incomes of the American people.

The biggest problem we've still got is that we've got good economic performance, but more than half of our people are having stagnant wages. This will make the problem worse. Under the guise of balancing the budget, we are consigning millions more Americans to a more limited future. It is wrong, and I certainly hope it is defeated today.

Bosnia and Croatia

Q. Mr. President, does it help to have Croatian forces engaging the Bosnian Serbs on the western edge?

The President. Well, we have—what we have cautioned the Croatians about is widening the war. We don't want to see a widening of the war. We understand their desire to

relieve the pressure on Bihac. And of course, that is a commitment the United Nations has made as well.

So we hope that whatever is done can be done without leading to a wider war. One of the prime objectives of the United States has been to try to confine the conflict to its present dimensions.

Teenage Smoking

Q. Mr. President, do you think that smoking among youth is——

The President. I think that smoking among youths should be diminished, and the Government has a responsibility there. I'm looking at what our options are, and we'll have an announcement on it before too long.

Q. So you support that idea?

Q. Is that a yes?

The President. I think—I told you what I—I think it's a terrible problem. We've got to do something about it. It's going up when it ought to be going down. If you want to lower health care costs, increase life expectancy, and broaden the quality of life for people, reducing teenage smoking is one good way to start. There's hardly anything we could do that would have a bigger impact. The question is, exactly what should we do? I've gotten some recommendations on it, and we'll have a position shortly. I just don't have an announcement to make today.

NOTE: The President spoke at 12:15 p.m. in the Cabinet Room at the White House.

Statement on Proposed Welfare Reform Legislation

August 3, 1995

I strongly support the Work First bill proposed by Senators Daschle, Breaux, and Mikulski. Instead of maintaining the current welfare system, which undermines our basic values of work, responsibility, and family, this plan sends people to work so they can earn a paycheck, not a welfare check. It provides the child care people need to move from welfare to work and to enable them to stay off welfare in the first place. It holds State bureaucracies accountable for real results and rewards States for putting people to work, not just cutting people off. It saves money

by moving people to work, not by shipping the States more problems and less money. The Work First plan is real reform, and it should be the basis for a strong bipartisan bill.

It is time for Congress to reach across party lines and pass real welfare reform. The American people have waited long enough.

Statement on Hurricane Erin

August 3, 1995

For several days now, we have been watching and waiting as Hurricane Erin approached the Florida coast, not knowing what to expect but preparing for the worst. We thank God that this storm did not pack the catastrophic punch that others have in the past. However, it did cause considerable damage.

Our hearts and prayers go out to all who have been impacted by the hurricane. We pray for a quick recovery. To help that process get underway, I have tonight signed an emergency declaration for the State of Florida and have asked James Lee Witt, the Director of the Federal Emergency Management Agency, to coordinate all efforts to save lives and protect the health, safety, and property of those affected.

There are already FEMA trucks loaded with plastic sheeting, chainsaws, generators, and other tools headed for the impacted area. Director Witt will go to Florida first thing in the morning, inspect the damage, and report back to me.

I have spoken with Governor Chiles and asked him to convey to the people of Florida our commitment to this recovery effort. I am proud of the work Governor Chiles and all of the State and local emergency workers did in preparing for this storm. As a former Governor, I know how important emergency preparedness is in saving lives and protecting property. I applaud their efforts and salute the courage and strength of all Floridians dealing with the damage caused by the hurricane.

Letter to Congressional Leaders on Iraq

August 3, 1995

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with the Authorization for Use of Military Force Against Iraq Resolution (Public Law 102-1), and as part of my effort to keep the Congress fully informed, I am reporting on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council.

Since its recognition of Kuwait last November, Iraq has done little to comply with its numerous remaining obligations under Council resolutions. At the most recent review of Iraq sanctions on July 11, 1995, the Security Council unanimously decided to maintain the sanctions regime on Iraq without change. We shall continue to insist that the sanctions be maintained until Iraq complies with all relevant provisions of U.N. Security Council resolutions.

Iraq remains out of compliance with its obligations regarding weapons of mass destruction (WMD), according to recent reports from the U.N. Special Commission on Iraq (UNSCOM). Iraq's recent admission that it had an offensive biological weapons program has received much attention. This admission should come as no surprise, the evidence of this program having been known for some time. Now we must see if Iraq discloses the details of this program, as required. If history is any indicator, we can expect Iraq to conceal information about details of the program until confronted with irrefutable evidence by UNSCOM.

The Iraqi regime recently said it would not be forthcoming on its biological weapons program until UNSCOM "closed the file" in the missile and chemical weapons areas. This type of quid pro quo is unacceptable. The Council's resolutions are unconditional. Iraq cannot trade compliance in one for a "clean slate" in another. The fact that issues remain to be addressed in these various areas can be directly attributed to a pattern of Iraqi obfuscation. Moreover, the nature of UNSCOM's mandate is such that files can never be pronounced "closed." The UNSCOM must be able to investigate new leads as they arise in any area.

In addition to failing to comply with the WMD provisions of Security Council resolutions, the regime remains in violation of numerous other Security Council requirements. The regime has failed to be forthcoming with information on hundreds of Kuwaitis and some third-country nationals missing since the Iraqi occupation.

Iraq has also not returned to Kuwait the millions of dollars worth of Kuwaiti property looted during the occupation. This includes a vast store of military equipment. Earlier this year, Iraq dumped a large amount of military equipment on the Kuwaiti border in an attempt to convince the Council it was making a good-faith effort to comply. None of the equipment returned was operational. It had all been stripped bare of anything of value. Some of the material returned had not even originated in Kuwait; it was captured from Iran during the Iran-Iraq War. Some vehicles and items still bore hastily painted-over portraits of the Ayatollah Khomeini and contained Iranian identity papers. None of the top-of-the-line military equipment looted from Kuwait has been returned.

The Council on April 14 unanimously adopted Resolution 986, an effective means to provide relief for the hardship that ordinary Iraqis are suffering as a result of Saddam Hussein's failure to comply with Council requirements. Nonetheless, on June 1, Secretary General Boutros-Ghali informed the Security Council that Iraq had officially refused to implement this resolution. The sanctions regime does not prevent the shipment of food or medicine to Iraq. However, Saddam Hussein continues to squander Iraq's resources on his repressive security apparatus and personal palaces, while using the suffering of ordinary Iraqis as a propaganda tool to press for the lifting of sanctions. Resolution 986 undermines his self-serving excuses for neglecting the legitimate needs of the Iraqi people.

The no-fly zones over northern and southern Iraq continue to deter Iraq from using its aircraft against its population. However, the Iraqi government persists in its brutal campaign against its perceived enemies throughout the country. Iraqi forces periodically shell villages in the south and the north with artillery. In the south, Iraq's repression

of the Shi'a population, and specifically the Marsh Arabs, continues, as does a policy of deliberate environmental devastation. The threat to the traditional way of life of Iraq's Marsh Arabs remains critical. In the last few years, the population of the marsh region has fallen sharply as Iraqi military operations have forcibly dispersed residents to other areas and thousands of Shi'a refugees have sought refuge in Iran.

The human rights situation in Iraq remains unchanged. As previously reported by the Special Rapporteur of the U.N. Commission on Human Rights (UNHRC), Max van der Stoep, the Iraqi military's repression against civilian populations continues, as do political killings, mass executions, and state-sponsored terrorism. Clearly, the Government of Iraq has not complied with the provisions of UNSC Resolution 688 demanding that it cease repression of its own people.

The Special Rapporteur has asserted that the Government of Iraq has engaged in war crimes and crimes against humanity, and may have committed violations of the 1948 Genocide Convention. The Special Rapporteur continues to call on the Government of Iraq to permit the stationing of human rights monitors inside Iraq to improve the flow of information and to provide independent verification of reports of human rights abuses. We continue to support Mr. van der Stoep's work and his call for monitors.

The Multinational Interception Force (MIF) continues to play a vital role in enforcing U.N. economic sanctions against Iraq. The Gulf states of Saudi Arabia, Qatar, Bahrain, the United Arab Emirates, and Kuwait have cooperated with the MIF by accepting ships intercepted for attempting to smuggle commodities from Iraq and in taking action against their cargoes in accordance with relevant U.N. Security Council resolutions, including Resolutions 665 and 778. In addition, the United States has provided information to the Governments of Panama, Honduras, St. Vincent and the Grenadines, and the United Arab Emirates concerning sanctions violations committed by vessels under their flags. Two of these governments have initiated deflagging proceedings, with Panama formally deflagging one vessel.

For more than 3 years, the story has not changed; the Baghdad regime flouts the sanctions, demonstrates disdain for the United Nations, and engages in actions that we believe constitute continuing contraventions of Security Council Resolutions 686, 687, and 688.

We are monitoring closely the plight of the civilian population throughout Iraq. Our bilateral assistance program in the north will continue, to the extent possible. We also will continue to make every effort, given the practical constraints, to assist the populations in southern and central Iraq through support for the continuation of U.N. humanitarian programs. Finally, we will continue to explore with our allies and Security Council partners means to compel Iraq to cooperate on humanitarian and human rights issues.

Security Council Resolution 687 affirmed that Iraq is liable under international law for compensating the victims of its unlawful invasion and occupation of Kuwait. The U.N. Compensation Commission (UNCC) has received about 2.6 million claims worldwide, with an asserted value of approximately \$176 billion. The United States has submitted approximately 3,300 claims, with an asserted value of about \$1.8 billion.

To date, the UNCC Governing Council has approved some 355,000 individual awards, worth about \$1.39 billion. About 620 awards totaling over \$11.8 million have been issued to U.S. claimants.

The UNCC has been able to pay only the first small awards for serious personal injury or death (\$2.7 million). Unfortunately, the remainder of the awards cannot be paid at this time, because the U.N. Compensation Fund lacks sufficient funding. The awards are supposed to be financed by a deduction from the proceeds of future Iraqi oil sales, once such sales are permitted to resume. However, Iraq's refusal to meet the Security Council's terms for a resumption of oil sales has left the UNCC without adequate financial resources to pay the awards. Iraq's intransigence means that the victims of its aggression remain uncompensated for their losses 4 years after the end of the Gulf War.

In sum, Iraq is still a threat to regional peace and security. Thus, I continue to be determined to see Iraq comply fully with all

its obligations under the UNSC resolutions. I will oppose any relaxation of sanctions until Iraq demonstrates its overall compliance with the relevant resolutions. Iraq should adopt democratic processes, respect human rights, treat its people equitably, and adhere to basic norms of international behavior.

I appreciate the support of the Congress for our efforts, and will continue to keep the Congress informed about this important issue.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Message to the Congress Transmitting the National Urban Policy Report

August 3, 1995

To the Congress of the United States:

I transmit herewith my Administration's National Urban Policy Report, "Empowerment: A New Covenant With America's Communities," as required by 42 U.S.C. 4503(a). The Report provides a framework for empowering America's disadvantaged citizens and poor communities to build a brighter future for themselves, for their families and neighbors, and for America. The Report is organized around four principles:

First, it links families to work. It brings tax, education and training, housing, welfare, public safety, transportation, and capital access policies together to help families make the transition to self-sufficiency and independence. This linkage is critical to the transformation of our communities.

Second, it leverages private investment in our urban communities. It works with the market and the private sector to build upon the natural assets and competitive advantages of urban communities.

Third, it is locally driven. The days of made in Washington solutions, dictated by a distant Government, are gone. Instead,

solutions must be locally crafted, and implemented by entrepreneurial public entities, private actors, and a growing network of community-based firms and organizations.

Fourth, it relies on traditional values—hard work, family, responsibility. The problems of so many inner-city neighborhoods—family break-up, teen pregnancy, abandonment, crime, drug use—will be solved only if individuals, families, and communities determine to help themselves.

These principles reflect an emerging consensus in the decades-long debate over urban policy. These principles are neither Democratic nor Republican: they are American. They will enable local communities, individuals and families, businesses, churches, community-based organizations, and civic groups to join together to seize the opportunities and to solve the problems in their own lives. They will put the private sector back to work for all families in all communities. I therefore invite the Congress to work with us on a bipartisan basis to implement an empowerment agenda for America's communities and families.

In a sense, poor communities represent an untapped economic opportunity for our whole country. While we work together to open foreign markets abroad to American-made goods and services, we also need to work together to open the economic frontiers of poor communities here at home. By enabling people and communities in genuine need to take greater responsibility for working harder and smarter together, we can unleash the greatest underused source of growth and renewal in each of the local regions that make up our national economy and civic life. This will be good for cities and suburbs, towns and villages, and rural and urban America. This will be good for families. This will be good for the country.

We have undertaken initiatives that seek to achieve these goals. Some seek to empower local communities to help themselves, including Empowerment Zones, Community Development banks, the Community Opportunity Fund, community policing, and enabling local schools and communities to best meet world-class standards. And some seek

to empower individuals and families to help themselves, including our expansion of the earned-income tax cut for low- and moderate-income working families, and our proposals for injecting choice and competition into public and assisted housing and for a new G.I. Bill for America's Workers.

I am determined to end Federal budget deficits, and my balanced budget proposal shows that we can balance the budget without abandoning the investments that are vital to the security and prosperity of the country, now and in the future. I am confident that, working together, we can build common ground on an empowerment agenda while putting our fiscal house in order. I will do everything in my power to make sure this happens.

William J. Clinton

The White House,
August 3, 1995.

Executive Order 12968—Access to Classified Information

August 2, 1995

The national interest requires that certain information be maintained in confidence through a system of classification in order to protect our citizens, our democratic institutions, and our participation within the community of nations. The unauthorized disclosure of information classified in the national interest can cause irreparable damage to the national security and loss of human life.

Security policies designed to protect classified information must ensure consistent, cost effective, and efficient protection of our Nation's classified information, while providing fair and equitable treatment to those Americans upon whom we rely to guard our national security.

This order establishes a uniform Federal personnel security program for employees who will be considered for initial or continued access to classified information.

Now, Therefore, by the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Part 1 Definitions, Access to Classified Information, Financial Disclosure, and Other Items

Section 1.1. Definitions. For the purposes of this order: (a) "Agency" means any "Executive agency," as defined in 5 U.S.C. 105, the "military departments," as defined in 5 U.S.C. 102, and any other entity within the executive branch that comes into the possession of classified information, including the Defense Intelligence Agency, National Security Agency, and the National Reconnaissance Office.

(b) "Applicant" means a person other than an employee who has received an authorized conditional offer of employment for a position that requires access to classified information.

(c) "Authorized investigative agency" means an agency authorized by law or regulation to conduct a counterintelligence investigation or investigation of persons who are proposed for access to classified information to ascertain whether such persons satisfy the criteria for obtaining and retaining access to such information.

(d) "Classified information" means information that has been determined pursuant to Executive Order No. 12958, or any successor order, Executive Order No. 12951, or any successor order, or the Atomic Energy Act of 1954 (42 U.S.C. 2011), to require protection against unauthorized disclosure.

(e) "Employee" means a person, other than the President and Vice President, employed by, detailed or assigned to, an agency, including members of the Armed Forces; an expert or consultant to an agency; an industrial or commercial contractor, licensee, certificate holder, or grantee of an agency, including all subcontractors; a personal services contractor; or any other category of person who acts for or on behalf of an agency as determined by the appropriate agency head.

(f) "Foreign power" and "agent of a foreign power" have the meaning provided in 50 U.S.C. 1801.

(g) "Need for access" means a determination that an employee requires access to a particular level of classified information in order to perform or assist in a lawful and authorized governmental function.

(h) "Need-to-know" means a determination made by an authorized holder of classified information that a prospective recipient requires access to specific classified information in order to perform or assist in a lawful and authorized governmental function.

(i) "Overseas Security Policy Board" means the Board established by the President to consider, develop, coordinate and promote policies, standards and agreements on overseas security operations, programs and projects that affect all United States Government agencies under the authority of a Chief of Mission.

(j) "Security Policy Board" means the Board established by the President to consider, coordinate, and recommend policy directives for U.S. security policies, procedures, and practices.

(k) "Special access program" has the meaning provided in section 4.1 of Executive Order No. 12958, or any successor order.

Sec. 1.2. Access to Classified Information.

(a) No employee shall be granted access to classified information unless that employee has been determined to be eligible in accordance with this order and to possess a need-to-know.

(b) Agency heads shall be responsible for establishing and maintaining an effective program to ensure that access to classified information by each employee is clearly consistent with the interests of the national security.

(c) Employees shall not be granted access to classified information unless they:

(1) have been determined to be eligible for access under section 3.1 of this order by agency heads or designated officials based upon a favorable adjudication of an appropriate investigation of the employee's background;

(2) have a demonstrated need-to-know; and

(3) have signed an approved nondisclosure agreement.

(d) All employees shall be subject to investigation by an appropriate government authority prior to being granted access to classified information and at any time during the period of access to ascertain whether they continue to meet the requirements for access.

(e)(1) All employees granted access to classified information shall be required as a condition of such access to provide to the employing agency written consent permitting access by an authorized investigative agency, for such time as access to classified information is maintained and for a period of 3 years thereafter, to:

(A) relevant financial records that are maintained by a financial institution as defined in 31 U.S.C. 5312(a) or by a holding company as defined in section 1101(6) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401);

(B) consumer reports pertaining to the employee under the Fair Credit Reporting Act (15 U.S.C. 1681a); and

(C) records maintained by commercial entities within the United States pertaining to any travel by the employee outside the United States.

(2) Information may be requested pursuant to employee consent under this section where:

(A) there are reasonable grounds to believe, based on credible information, that the employee or former employee is, or may be, disclosing classified information in an unauthorized manner to a foreign power or agent of a foreign power;

(B) information the employing agency deems credible indicates the employee or former employee has incurred excessive indebtedness or has acquired a level of affluence that cannot be explained by other information; or

(C) circumstances indicate the employee or former employee had the capability and opportunity to disclose classified information that is known to have been lost or compromised to a foreign power or an agent of a foreign power.

(3) Nothing in this section shall be construed to affect the authority of an investigating agency to obtain information pursuant to the Right to Financial Privacy Act, the Fair Credit Reporting Act or any other applicable law.

Sec. 1.3. Financial Disclosure. (a) Not later than 180 days after the effective date of this order, the head of each agency that originates, handles, transmits, or possesses

classified information shall designate each employee, by position or category where possible, who has a regular need for access to classified information that, in the discretion of the agency head, would reveal:

- (1) the identity of covert agents as defined in the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421);
 - (2) technical or specialized national intelligence collection and processing systems that, if disclosed in an unauthorized manner, would substantially negate or impair the effectiveness of the system;
 - (3) the details of:
 - (A) the nature, contents, algorithm, preparation, or use of any code, cipher, or cryptographic system or;
 - (B) the design, construction, functioning, maintenance, or repair of any cryptographic equipment; but not including information concerning the use of cryptographic equipment and services;
 - (4) particularly sensitive special access programs, the disclosure of which would substantially negate or impair the effectiveness of the information or activity involved; or
 - (5) especially sensitive nuclear weapons design information (but only for those positions that have been certified as being of a high degree of importance or sensitivity, as described in section 145(f) of the Atomic Energy Act of 1954, as amended).
- (b) An employee may not be granted access, or hold a position designated as requiring access, to information described in subsection (a) unless, as a condition of access to such information, the employee:
- (1) files with the head of the agency a financial disclosure report, including information with respect to the spouse and dependent children of the employee, as part of all background investigations or reinvestigations;
 - (2) is subject to annual financial disclosure requirements, if selected by the agency head; and
 - (3) files relevant information concerning foreign travel, as determined by the Security Policy Board.

(c) Not later than 180 days after the effective date of this order, the Security Policy Board shall develop procedures for the implementation of this section, including a standard financial disclosure form for use by employees under subsection (b) of this section, and agency heads shall identify certain employees, by position or category, who are subject to annual financial disclosure.

Sec. 1.4. Use of Automated Financial Record Data Bases. As part of all investigations and reinvestigations described in section 1.2(d) of this order, agencies may request the Department of the Treasury, under terms and conditions prescribed by the Secretary of the Treasury, to search automated data bases consisting of reports of currency transactions by financial institutions, international transportation of currency or monetary instruments, foreign bank and financial accounts, transactions under \$10,000 that are reported as possible money laundering violations, and records of foreign travel.

Sec. 1.5. Employee Education and Assistance. The head of each agency that grants access to classified information shall establish a program for employees with access to classified information to: (a) educate employees about individual responsibilities under this order; and

(b) inform employees about guidance and assistance available concerning issues that may affect their eligibility for access to classified information, including sources of assistance for employees who have questions or concerns about financial matters, mental health, or substance abuse.

Part 2 Access Eligibility Policy and Procedure

Sec. 2.1. Eligibility Determinations. (a) Determinations of eligibility for access to classified information shall be based on criteria established under this order. Such determinations are separate from suitability determinations with respect to the hiring or retention of persons for employment by the government or any other personnel actions.

(b) The number of employees that each agency determines are eligible for access to classified information shall be kept to the minimum required for the conduct of agency functions.

- (1) Eligibility for access to classified information shall not be requested or granted solely to permit entry to, or ease of movement within, controlled areas when the employee has no need for access and access to classified information may reasonably be prevented. Where circumstances indicate employees may be inadvertently exposed to classified information in the course of their duties, agencies are authorized to grant or deny, in their discretion, facility access approvals to such employees based on an appropriate level of investigation as determined by each agency.
- (2) Except in agencies where eligibility for access is a mandatory condition of employment, eligibility for access to classified information shall only be requested or granted based on a demonstrated, foreseeable need for access. Requesting or approving eligibility in excess of actual requirements is prohibited.
- (3) Eligibility for access to classified information may be granted where there is a temporary need for access, such as one-time participation in a classified project, provided the investigative standards established under this order have been satisfied. In such cases, a fixed date or event for expiration shall be identified and access to classified information shall be limited to information related to the particular project or assignment.
- (4) Access to classified information shall be terminated when an employee no longer has a need for access.

Sec. 2.2. Level of Access Approval. (a) The level at which an access approval is granted for an employee shall be limited, and relate directly, to the level of classified information for which there is a need for access. Eligibility for access to a higher level of classified information includes eligibility for access to information classified at a lower level.

(b) Access to classified information relating to a special access program shall be granted in accordance with procedures established by the head of the agency that created the program or, for programs pertaining to intelligence activities (including special activities but not including military operational, strate-

gic, and tactical programs) or intelligence sources and methods, by the Director of Central Intelligence. To the extent possible and consistent with the national security interests of the United States, such procedures shall be consistent with the standards and procedures established by and under this order.

Sec. 2.3 Temporary Access to Higher Levels. (a) An employee who has been determined to be eligible for access to classified information based on favorable adjudication of a completed investigation may be granted temporary access to a higher level where security personnel authorized by the agency head to make access eligibility determinations find that such access:

- (1) is necessary to meet operational or contractual exigencies not expected to be of a recurring nature;
- (2) will not exceed 180 days; and
- (3) is limited to specific, identifiable information that is made the subject of a written access record.

(b) Where the access granted under subsection (a) of this section involves another agency's classified information, that agency must concur before access to its information is granted.

Sec. 2.4. Reciprocal Acceptance of Access Eligibility Determinations. (a) Except when an agency has substantial information indicating that an employee may not satisfy the standards in section 3.1 of this order, background investigations and eligibility determinations conducted under this order shall be mutually and reciprocally accepted by all agencies.

(b) Except where there is substantial information indicating that the employee may not satisfy the standards in section 3.1 of this order, an employee with existing access to a special access program shall not be denied eligibility for access to another special access program at the same sensitivity level as determined personally by the agency head or deputy agency head, or have an existing access eligibility readjudicated, so long as the employee has a need for access to the information involved.

(c) This section shall not preclude agency heads from establishing additional, but not duplicative, investigative or adjudicative pro-

cedures for a special access program or for candidates for detail or assignment to their agencies, where such procedures are required in exceptional circumstances to protect the national security.

(d) Where temporary eligibility for access is granted under sections 2.3 or 3.3 of this order or where the determination of eligibility for access is conditional, the fact of such temporary or conditional access shall be conveyed to any other agency that considers affording the employee access to its information.

Sec. 2.5. Specific Access Requirement. (a) Employees who have been determined to be eligible for access to classified information shall be given access to classified information only where there is a need-to-know that information.

(b) It is the responsibility of employees who are authorized holders of classified information to verify that a prospective recipient's eligibility for access has been granted by an authorized agency official and to ensure that a need-to-know exists prior to allowing such access, and to challenge requests for access that do not appear well-founded.

Sec. 2.6. Access by Non-United States Citizens. (a) Where there are compelling reasons in furtherance of an agency mission, immigrant alien and foreign national employees who possess a special expertise may, in the discretion of the agency, be granted limited access to classified information only for specific programs, projects, contracts, licenses, certificates, or grants for which there is a need for access. Such individuals shall not be eligible for access to any greater level of classified information than the United States Government has determined may be releasable to the country of which the subject is currently a citizen, and such limited access may be approved only if the prior 10 years of the subject's life can be appropriately investigated. If there are any doubts concerning granting access, additional lawful investigative procedures shall be fully pursued.

(b) Exceptions to these requirements may be permitted only by the agency head or the senior agency official designated under section 6.1 of this order to further substantial national security interests.

Part 3 Access Eligibility Standards

Sec. 3.1. Standards. (a) No employee shall be deemed to be eligible for access to classified information merely by reason of Federal service or contracting, licensee, certificate holder, or grantee status, or as a matter of right or privilege, or as a result of any particular title, rank, position, or affiliation.

(b) Except as provided in sections 2.6 and 3.3 of this order, eligibility for access to classified information shall be granted only to employees who are United States citizens for whom an appropriate investigation has been completed and whose personal and professional history affirmatively indicates loyalty to the United States, strength of character, trustworthiness, honesty, reliability, discretion, and sound judgment, as well as freedom from conflicting allegiances and potential for coercion, and willingness and ability to abide by regulations governing the use, handling, and protection of classified information. A determination of eligibility for access to such information is a discretionary security decision based on judgments by appropriately trained adjudicative personnel. Eligibility shall be granted only where facts and circumstances indicate access to classified information is clearly consistent with the national security interests of the United States, and any doubt shall be resolved in favor of the national security.

(c) The United States Government does not discriminate on the basis of race, color, religion, sex, national origin, disability, or sexual orientation in granting access to classified information.

(d) In determining eligibility for access under this order, agencies may investigate and consider any matter that relates to the determination of whether access is clearly consistent with the interests of national security. No inference concerning the standards in this section may be raised solely on the basis of the sexual orientation of the employee.

(e) No negative inference concerning the standards in this section may be raised solely on the basis of mental health counseling. Such counseling can be a positive factor in eligibility determinations. However, mental health counseling, where relevant to the adjudication of access to classified information,

may justify further inquiry to determine whether the standards of subsection (b) of this section are satisfied, and mental health may be considered where it directly relates to those standards.

(f) Not later than 180 days after the effective date of this order, the Security Policy Board shall develop a common set of adjudicative guidelines for determining eligibility for access to classified information, including access to special access programs.

Sec. 3.2. Basis for Eligibility Approval. (a) Eligibility determinations for access to classified information shall be based on information concerning the applicant or employee that is acquired through the investigation conducted pursuant to this order or otherwise available to security officials and shall be made part of the applicant's or employee's security record. Applicants or employees shall be required to provide relevant information pertaining to their background and character for use in investigating and adjudicating their eligibility for access.

(b) Not later than 180 days after the effective date of this order, the Security Policy Board shall develop a common set of investigative standards for background investigations for access to classified information. These standards may vary for the various levels of access.

(c) Nothing in this order shall prohibit an agency from utilizing any lawful investigative procedure in addition to the investigative requirements set forth in this order and its implementing regulations to resolve issues that may arise during the course of a background investigation or reinvestigation.

Sec. 3.3. Special Circumstances. (a) In exceptional circumstances where official functions must be performed prior to the completion of the investigative and adjudication process, temporary eligibility for access to classified information may be granted to an employee while the initial investigation is underway. When such eligibility is granted, the initial investigation shall be expedited.

(1) Temporary eligibility for access under this section shall include a justification, and the employee must be notified in writing that further access is expressly conditioned on the favorable completion of the investigation and issuance of an

access eligibility approval. Access will be immediately terminated, along with any assignment requiring an access eligibility approval, if such approval is not granted.

(2) Temporary eligibility for access may be granted only by security personnel authorized by the agency head to make access eligibility determinations and shall be based on minimum investigative standards developed by the Security Policy Board not later than 180 days after the effective date of this order.

(3) Temporary eligibility for access may be granted only to particular, identified categories of classified information necessary to perform the lawful and authorized functions that are the basis for the granting of temporary access.

(b) Nothing in subsection (a) shall be construed as altering the authority of an agency head to waive requirements for granting access to classified information pursuant to statutory authority.

(c) Where access has been terminated under section 2.1(b)(4) of this order and a new need for access arises, access eligibility up to the same level shall be reapproved without further investigation as to employees who were determined to be eligible based on a favorable adjudication of an investigation completed within the prior 5 years, provided they have remained employed by the same employer during the period in question, the employee certifies in writing that there has been no change in the relevant information provided by the employee for the last background investigation, and there is no information that would tend to indicate the employee may no longer satisfy the standards established by this order for access to classified information.

(d) Access eligibility shall be reapproved for individuals who were determined to be eligible based on a favorable adjudication of an investigation completed within the prior 5 years and who have been retired or otherwise separated from United States Government employment for not more than 2 years; provided there is no indication the individual may no longer satisfy the standards of this order, the individual certifies in writing that there has been no change in the relevant in-

formation provided by the individual for the last background investigation, and an appropriate record check reveals no unfavorable information.

Sec. 3.4. Reinvestigation Requirements.

(a) Because circumstances and characteristics may change dramatically over time and thereby alter the eligibility of employees for continued access to classified information, reinvestigations shall be conducted with the same priority and care as initial investigations.

(b) Employees who are eligible for access to classified information shall be the subject of periodic reinvestigations and may also be reinvestigated if, at any time, there is reason to believe that they may no longer meet the standards for access established in this order.

(c) Not later than 180 days after the effective date of this order, the Security Policy Board shall develop a common set of reinvestigative standards, including the frequency of reinvestigations.

Part 4 Investigations for Foreign Governments

Sec. 4. Authority. Agencies that conduct background investigations, including the Federal Bureau of Investigation and the Department of State, are authorized to conduct personnel security investigations in the United States when requested by a foreign government as part of its own personnel security program and with the consent of the individual.

Part 5 Review of Access Determinations

Sec. 5.1. Determinations of Need for Access. A determination under section 2.1(b)(4) of this order that an employee does not have, or no longer has, a need for access is a discretionary determination and shall be conclusive.

Sec. 5.2. Review Proceedings for Denials or Revocations of Eligibility for Access. (a) Applicants and employees who are determined to not meet the standards for access to classified information established in section 3.1 of this order shall be:

- (1) provided as comprehensive and detailed a written explanation of the basis for that conclusion as the national secu-

rity interests of the United States and other applicable law permit;

- (2) provided within 30 days, upon request and to the extent the documents would be provided if requested under the Freedom of Information Act (5 U.S.C. 552) or the Privacy Act (3 U.S.C. 552a), as applicable, any documents, records, and reports upon which a denial or revocation is based;
 - (3) informed of their right to be represented by counsel or other representative at their own expense; to request any documents, records, and reports as described in section 5.2(a)(2) upon which a denial or revocation is based; and to request the entire investigative file, as permitted by the national security and other applicable law, which, if requested, shall be promptly provided prior to the time set for a written reply;
 - (4) provided a reasonable opportunity to reply in writing to, and to request a review of, the determination;
 - (5) provided written notice of and reasons for the results of the review, the identity of the deciding authority, and written notice of the right to appeal;
 - (6) provided an opportunity to appeal in writing to a high level panel, appointed by the agency head, which shall be comprised of at least three members, two of whom shall be selected from outside the security field. Decisions of the panel shall be in writing, and final except as provided in subsection (b) of this section; and
 - (7) provided an opportunity to appear personally and to present relevant documents, materials, and information at some point in the process before an adjudicative or other authority, other than the investigating entity, as determined by the agency head. A written summary or recording of such appearance shall be made part of the applicant's or employee's security record, unless such appearance occurs in the presence of the appeals panel described in subsection (a)(6) of this section.
- (b) Nothing in this section shall prohibit an agency head from personally exercising the appeal authority in subsection (a)(6) of

this section based upon recommendations from an appeals panel. In such case, the decision of the agency head shall be final.

(c) Agency heads shall promulgate regulations to implement this section and, at their sole discretion and as resources and national security considerations permit, may provide additional review proceedings beyond those required by subsection (a) of this section. This section does not require additional proceedings, however, and creates no procedural or substantive rights.

(d) When the head of an agency or principal deputy personally certifies that a procedure set forth in this section cannot be made available in a particular case without damaging the national security interests of the United States by revealing classified information, the particular procedure shall not be made available. This certification shall be conclusive.

(e) This section shall not be deemed to limit or affect the responsibility and power of an agency head pursuant to any law or other Executive order to deny or terminate access to classified information in the interests of national security. The power and responsibility to deny or terminate access to classified information pursuant to any law or other Executive order may be exercised only where the agency head determines that the procedures prescribed in subsection (a) of this section cannot be invoked in a manner that is consistent with national security. This determination shall be conclusive.

(f)(1) This section shall not be deemed to limit or affect the responsibility and power of an agency head to make determinations of suitability for employment.

(2) Nothing in this section shall require that an agency provide the procedures prescribed in subsection (a) of this section to an applicant where a conditional offer of employment is withdrawn for reasons of suitability or any other reason other than denial of eligibility for access to classified information.

(3) A suitability determination shall not be used for the purpose of denying an applicant or employee the review proceedings of this section where there has been a denial or revocation of eligibility for access to classified information.

Part 6 Implementation

Sec. 6.1. Agency Implementing Responsibilities. Heads of agencies that grant employees access to classified information shall: (a) designate a senior agency official to direct and administer the agency's personnel security program established by this order. All such programs shall include active oversight and continuing security education and awareness programs to ensure effective implementation of this order;

(b) cooperate, under the guidance of the Security Policy Board, with other agencies to achieve practical, consistent, and effective adjudicative training and guidelines; and

(c) conduct periodic evaluations of the agency's implementation and administration of this order, including the implementation of section 1.3(a) of this order. Copies of each report shall be provided to the Security Policy Board.

Sec. 6.2. Employee Responsibilities. (a) Employees who are granted eligibility for access to classified information shall:

- (1) protect classified information in their custody from unauthorized disclosure;
- (2) report all contacts with persons, including foreign nationals, who seek in any way to obtain unauthorized access to classified information;
- (3) report all violations of security regulations to the appropriate security officials; and
- (4) comply with all other security requirements set forth in this order and its implementing regulations.

(b) Employees are encouraged and expected to report any information that raises doubts as to whether another employee's continued eligibility for access to classified information is clearly consistent with the national security.

Sec. 6.3. Security Policy Board Responsibilities and Implementation. (a) With respect to actions taken by the Security Policy Board pursuant to sections 1.3(c), 3.1(f), 3.2(b), 3.3(a)(2), and 3.4(c) of this order, the Security Policy Board shall make recommendations to the President through the Assistant to the President for National Security Affairs for implementation.

(b) Any guidelines, standards, or procedures developed by the Security Policy Board

pursuant to this order shall be consistent with those guidelines issued by the Federal Bureau of Investigation in March 1994 on Background Investigations Policy/Guidelines Regarding Sexual Orientation.

(c) In carrying out its responsibilities under this order, the Security Policy Board shall consult where appropriate with the Overseas Security Policy Board. In carrying out its responsibilities under section 1.3(c) of this order, the Security Policy Board shall obtain the concurrence of the Director of the Office of Management and Budget.

Sec. 6.4. Sanctions. Employees shall be subject to appropriate sanctions if they knowingly and willfully grant eligibility for, or allow access to, classified information in violation of this order or its implementing regulations. Sanctions may include reprimand, suspension without pay, removal, and other actions in accordance with applicable law and agency regulations.

Part 7 General Provisions

Sec. 7.1. Classified Information Procedures Act. Nothing in this order is intended to alter the procedures established under the Classified Information Procedures Act (18 U.S.C. App. 1).

Sec. 7.2. General. (a) Information obtained by an agency under sections 1.2(e) or 1.3 of this order may not be disseminated outside the agency, except to:

(1) the agency employing the employee who is the subject of the records or information;

(2) the Department of Justice for law enforcement or counterintelligence purposes; or

(3) any agency if such information is clearly relevant to the authorized responsibilities of such agency.

(b) The Attorney General, at the request of the head of an agency, shall render an interpretation of this order with respect to any question arising in the course of its administration.

(c) No prior Executive orders are repealed by this order. To the extent that this order is inconsistent with any provision of any prior Executive order, this order shall control, except that this order shall not diminish or otherwise affect the requirements of Executive

Order No. 10450, the denial and revocation procedures provided to individuals covered by Executive Order No. 10865, as amended, or access by historical researchers and former presidential appointees under Executive Order No. 12958 or any successor order.

(d) If any provision of this order or the application of such provision is held to be invalid, the remainder of this order shall not be affected.

(e) This Executive order is intended only to improve the internal management of the executive branch and is not intended to, and does not, create any right to administrative or judicial review, or any other right or benefit or trust responsibility, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

(f) This order is effective immediately.

William J. Clinton

The White House,
August 2, 1995.

[Filed with the Office of the Federal Register,
12:18 p.m., August 4, 1995]

NOTE: This Executive order was released by the Office of the Press Secretary on August 4, and it was published in the *Federal Register* on August 7.

Memorandum on Assistance to the United Nations Rapid Reaction Force in Bosnia

August 3, 1995

Presidential Determination No. 95-34

Memorandum for the Secretary of State and the Secretary of Defense

Subject: Determination to Authorize the Furnishing of Emergency Military Assistance to the United Nations for Purposes of Supporting the Rapid Reaction Force in Bosnia Under Section 506(a)(1) of the Foreign Assistance Act

Pursuant to the authority vested in me by section 506(a)(1) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C.

2318(a)(1) (the "Act"), I hereby determine that:

- (1) an unforeseen emergency exists, which requires immediate military assistance to an international organization; and
- (2) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except section 506 of the Act.

Therefore, I hereby authorize the furnishing of up to \$17,000,000 in defense articles and defense services from the Department of Defense to the United Nations for purposes of supporting the Rapid Reaction Force in Bosnia.

The Secretary of State is authorized and directed to report this determination to the Congress and to arrange for its publication in the *Federal Register*.

William J. Clinton

NOTE: This memorandum was released by the Office of the Press Secretary on August 4.

Remarks on Political Reform and an Exchange With Reporters

August 4, 1995

The President. Good afternoon. I have just finished a very productive and stimulating meeting with two outstanding Americans, John Gardner and Doris Kearns Goodwin. In the best tradition of our citizenship, they have set aside their very busy lives and concerns and work to take some time to come to Washington to try to help make political reform a reality.

We discussed how the trust of the American people has been eroded by what they see in Washington, by how the lobbyists hold sway more today than ever before. And the American people don't like it. The hard-working American families of this country know that they did not pay for the kind of influence that they see exercised too often in today's Congress.

When Congress treats telecommunications reform, for example, merely as a joust among would-be monopolists, ordinary consumers lose out. When the NRA hijacks a congressional hearing process, crime victims and police officers lose out. And everybody knows

that last week's vote in the House to dramatically undermine our ability to enforce our environmental laws would not have happened if real campaign finance reform and real lobbying reform had been on the books.

For too long these issues have been mired in partisan in-fighting and paralyzed by special interests. We have an obligation to act when we can to move beyond partisanship. I had hoped we had reached such a point several weeks ago in New Hampshire when I shook hands with Speaker Gingrich on a proposal made to us by an ordinary American in the audience that we create a political reform commission that would work more or less like the base closing commission to make recommendations on campaign finance reform and lobbying reform.

Shortly after I returned from New Hampshire, I sent the Speaker a letter putting forward my ideas on how to do that. That moment of optimism gave way to 5 weeks of silence. When I asked John Gardner and Doris Kearns Goodwin to help me make this happen, I certainly hoped that the respect and eminence that they bring to this process would help move things forward. If there were a commission, these are the kinds of people I would appoint to it.

We continue to hope that the Speaker will live up to his handshake and move forward on this commission. But we shouldn't wait, and Congress shouldn't either.

Today I am announcing that I will use the power of my office to bring the sunlight of full disclosure to the lobbying process in Washington. Right now lobbyists can operate in secret. They can lawfully conceal who they work for, what loopholes or contracts or regulations they are seeking to pass, or what actions they are seeking to stop. And lobbying of the executive branch isn't disclosed at all.

Last week, an overwhelming, bipartisan majority in the United States Senate voted for lobbying reform. But the House leadership has made it clear that they will not even schedule a vote on this measure for quite a long while. Delay, debate, and division: that's the same old thing. They won't put lobbyists in their proper place in our governmental structure.

So today I have decided to act on my own within my executive authority. I am request-

ing the Attorney General to prepare an Executive order that would bar executive branch employees from meeting with any lobbyist who does not fully disclose his or her activities to the public. In other words, if lobbyists want to contact the executive branch, fine, they can. That's an important part of our work here. But they can do it only if they tell the public who they are, what they're working on, how much they're spending, and what policy they are pushing or trying to block. We will, in other words, follow the strict and meaningful standards of the Senate bill. From now on, the executive branch will operate as if the Senate bill had become law.

I have now acted on lobby reform. Now there is no excuse for congressional delay. The Senate has done its work. I urge the House to finish the job. This is really a moment for real bipartisan progress on political reform. In recent days, strong and often growing bipartisan majorities in the United States Senate have voted to preserve, first of all, public funding of Presidential campaigns—something John Gardner here did so much to create—to schedule a vote on campaign finance reform over the objection of the Senate majority leader, and to pass a tough gift and lobby reform program in the Senate.

This bipartisan impulse is our best hope for true and lasting reform. But to get there it will have to spread to the House, which has been moving back into the past, not going forward into the future. That is our challenge today.

From the reform victories of the turn of the century progressives to the changes that followed Watergate, moments of national renewal have always called forth people of good will, regardless of party, who were willing to do what it takes to change things for the better. This is part of our national history, and it must be part of our common ground.

I call on Congress to join us here to pass lobby reform and campaign finance reform, to do it in a bipartisan way, and to restore the public trust. In the meanwhile, I am going to establish lobby reform in the executive branch by enacting by Executive order the bill passed by the United States Senate.

I'd like now to invite John Gardner and Doris Kearns Goodwin to say a few words.

[At this point, John Gardner, founder of Common Cause, and historian Doris Kearns Goodwin made brief remarks.]

Speaker of the House Newt Gingrich

Q. Mr. President, the Speaker today said that the reason he hasn't responded to the handshake is because his priority now is saving Medicare and that you're not doing anything to save Medicare and why not focus in on that as an issue instead of political and campaign finance reform.

The President. First of all, it takes no energy at all. He doesn't have to do anything in the Congress right now. All he has to do is to do what he said he'd do when he shook hands with me. Let's set up a commission. He can make his appointments, Senator Dole can make his appointments, I'll make my appointments, and Senator Daschle and Congressman Gephardt can make their appointments, and then let the commission go do its work. That is not a persuasive reason. There is nothing to do. That takes about 2 or 3 hours of staff time and about 30 minutes of his time.

So—and let's say this. Our administration has made the Medicare Trust Fund better. Their Medicare cuts are not necessary either to fix the Trust Fund or to balance the budget. Over half of their Medicare cuts—or roughly half of them—are increased costs to beneficiaries of Medicare which will not put one red cent into the Medicare Trust Fund. That is not what this is about.

We have shown you can balance the budget without hurting people on Medicare. And that's what I think the Speaker and the majority in the House and the Senate ought to say they want to do. And when they say that, we can resolve further problems with the Medicare Trust Fund. I have shown I'm willing to deal with that. I proposed some savings to help deal with that. This is not about the Medicare Trust Fund. This is about whether these beneficiaries are going to be soaked for no good reason.

Campaign Finance Reform

Q. Mr. President, why not take the same kind of unilateral action on campaign finance

reform as you seem to be doing on lobbying reform, say, with respect to soft money donations to the party? And does the party understand fully, sir, your feelings about them selling access to you to big money donors?

The President. Yes, and we changed that. And we can change that. And I have no problem changing that. That is wrong.

I think—by the way, I think that the President and that any other person in public office ought to meet with his or her supporters, including financial supporters. I think that's important. I would do that anyway. I have always done that; from the time I was attorney general of my State I have done that. But it is wrong to raise money on the promise of guaranteed specific kinds of access. That is wrong, and we stopped that.

Now, the difference is, I can do this lobby reform and hold the executive branch to a higher standard and challenge the Congress to follow suit in a way that does not in any way undermine the public interest. But if I hold the Democrats to a standard which in effect paralyzes them financially, in comparison to the Republicans, I will be punishing the very public interest that I seek to advance because it will make it less likely that there will be competitive elections.

The American people's only chance to make the right choices is when there are genuine competitive elections. I would love nothing better—if I could get an agreement with the Republican Party we could shut this whole thing down tomorrow. We could, by mutual agreement, at least change the party rules on campaign finance reform. And if they would do it, we could do it and we wouldn't have to wait for Congress to act.

Telecommunications Reform

Q. You mentioned the telecommunications bill, sir. Have the changes that have been made to it today made it any more acceptable to you?

The President. Well, I want to wait and see what happens. I know that they acted to try to stop one person from being able to own television stations, newspapers, radios, and cable networks in the same market. That was a very important step forward. I congratulate the House on that. Did the V-

chip amendment pass? They're working on that. That's also very important to me.

As you know, I issued a letter on the House bill, which was changed markedly after it came out of committee—that's a very unusual procedure—setting forth the concerns that I have, the Vice President shares, our administration has. We'll just have to review the bill when it gets in its final form.

Bosnia and Croatia

Q. What about the war in Croatia? Are you concerned that that could spread into an all-out war in the Balkans?

The President. Yes—well, I'm concerned that it could spread the war in Bosnia and in the Croatia-Serbia area.

Let me just back up and say the Croatian offensive originally was launched in response to the Serb attack on Bihac, one of the protected areas. And it has largely, apparently, relieved a lot of pressure on Bihac. But because it is so comprehensive, it runs the risk of a wider war. And that is what we have cautioned against in our contacts with the Croats.

Q. So, Mr. President, you're saying that the actual offensive is justified?

The President. I explained that the original Croatian action, which we were told by the Croatian Government they would feel compelled to take, was animated by the Serbian attack on Bihac. But we have asked them to exercise real restraint because we are very concerned about a wider war.

Thank you.

NOTE: The President spoke at 2:15 p.m. in the Oval Office at the White House.

Statement on the 30th Anniversary of the Voting Rights Act

August 4, 1995

This Sunday, August 6, 1995, marks the 30th anniversary of the Voting Rights Act, guaranteeing the right to vote to all Americans, regardless of race. Passed by a bipartisan majority in Congress and signed by President Lyndon Johnson after years of struggle, the Voting Rights Act has correctly been recognized as the single most important civil rights law our Nation has ever adopted. It

was accomplished through the sacrifice of thousands of Americans of all colors who courageously faced down a terrible injustice.

At the time the Voting Rights Act was enacted, people of color in many parts of the country were denied the right to exercise the most fundamental right of American democracy—the right to vote. African-American voter registration was practically non-existent in many areas due to an organized system of disenfranchisement, often backed by brutal intimidation, designed to fence people out of the political process.

In the 30 years since the enactment of the Voting Rights Act, minority registration rates have soared and thousands of people who once could not get elected simply because of the color of their skin are serving in Congress, State houses, and city halls throughout the country.

More important than those results, however, has been the effect of opening our democracy to all Americans. The Voting Rights Act guarantees that no American need ever again be afraid to register to vote, no American need ever again fear the walk to the polling place, no American need ever again fear that their vote is not wanted or will not count.

In signing the law, President Johnson said, “This act flows from a clear and simple wrong. Its only purpose is to right that wrong . . . The wrong is one which no American, in his heart, can justify. The right is one which no American, true to our principles, can deny.”

On this 30th anniversary, my administration reaffirms its commitment to the full enforcement of the Voting Rights Act. We must continue to protect the right of every American to fully participate in the electoral process. I challenge Americans of all races and colors to rededicate ourselves to exercising our precious right to vote. Voting is the oxygen of democracy, and millions of Americans have given their last breath to keep that right alive. So, even as we celebrate 30 years of righting a terrible wrong, we must keep working to make sure that 30 years from now, every American over the age of 18 is a voting American.

Statement on Signing the Emergency Supplemental Appropriations and Rescissions Legislation

August 4, 1995

On July 27, 1995, I approved H.R. 1944, the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City, and Rescissions Act, 1995. This legislation shows how we can work together to produce good legislation.

From the start of this rescission process, I agreed with the Congress on the need to cut spending. The question was, how should we do it?

I vetoed the original rescission bill because it would have cut spending the wrong way, by targeting education and training, environmental protection, and other key national priorities. I then worked with Republicans and Democrats alike to produce a better bill. I am pleased that this bill cuts nearly \$16 billion in spending while protecting our key investments in education and training, the environment, and other priorities.

Like the earlier version, this bill also provides much-needed supplemental funds that I have sought for disaster relief activities of the Federal Emergency Management Agency, the Federal response to the bombing in Oklahoma City, increased anti-terrorism efforts, and debt relief to Jordan to facilitate progress toward a Middle East peace settlement.

To be sure, I do not support every provision of this bill. For instance, I still do not believe that this bill should contain any of the provisions relating to timber. But the final bill does contain changes in the language that preserve our ability to implement the current forest plans and their standards, and protect other resources such as clean water and fisheries. In addition, I am pleased that the Congress amended the bill to limit its special authorities for timber sales to end on December 31, 1996. Therefore, I have directed the Secretaries of the Interior, Agriculture, Commerce, the Administrator of the Environmental Protection Agency, and other Federal agencies to carry out timber salvage

activities consistent with our forest plans and existing environmental laws.

In addition, though this bill includes a rescission of summer youth jobs funding for the summer of 1996, the Administration continues to support the program and will work with the Congress in the FY 1996 appropriations process to ensure that the program for the summer of 1996 is funded.

I have designated as an emergency all funds in this Act so designated by the Congress that I had not previously designated pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

I am pleased that bipartisan leaders of Congress worked with me to produce a good bill. Working together, we can continue to produce good legislation for the American people.

William J. Clinton

The White House,
August 4, 1995.

NOTE: H.R. 1944, approved July 27, was assigned Public Law No. 104-19.

Statement on Signing the District of Columbia Emergency Highway Relief Act

August 4, 1995

Today I am pleased to sign into law H.R. 2017, the District of Columbia Emergency Highway Relief Act, a law to enable our Nation's capital city to advance critically needed highway construction projects. By temporarily waiving the District's cost-sharing requirements for these projects, this legislation assists the District during its period of fiscal crisis in a very practical and important way without imposing any additional cost on the American taxpayer.

Recognizing the importance of maintaining the District's highways for its residents, commuters from throughout the national capital area, and thousands of tourists from around the Nation and the world, this Administration initiated legislation to secure a similar temporary waiver for the District. With bipartisan and intergovernmental support, and through the dedicated efforts of

members of the congressional delegation from this region, this legislation was expeditiously passed by both houses of Congress.

The District will be held accountable for the funds advanced for highway construction under this bill. The District is required to repay its share and must establish a dedicated highway fund to ensure it is able to make this repayment and to meet its matching share requirement in the future.

This legislation will enable the District to begin rebuilding its infrastructure almost immediately, as projects that were stalled for months due to a lack of funds can now quickly resume, creating many new jobs and safer streets for all who come to our Nation's capital.

William J. Clinton

The White House,
August 4, 1995.

NOTE: H.R. 2017, approved August 4, was assigned Public Law No. 104-21.

Message to the Congress Transmitting the District of Columbia Financial Authority Budget

August 4, 1995

To the Congress of the United States:

In accordance with section 106(a) of the District of Columbia Financial Responsibility and Management Assistance Authority Act of 1995, I am transmitting the District of Columbia Financial Responsibility and Management Assistance Authority's operating budget for FY 1996.

The Authority's request for its FY 1996 operating budget is \$3.5 million. This budget was developed based on an estimated staffing level of 35 full-time employees. After reviewing the budgets and staffing levels of other control boards, the Authority believes this staffing level is the minimum necessary to carry out its wide range of fiscal, management, and legal responsibilities.

This transmittal does not represent an endorsement of the budget's contents.

William J. Clinton

The White House,
August 4, 1995.

**Message to the Congress
Transmitting the Energy Policy
Report**

August 4, 1995

To the Congress of the United States:

Throughout this century, energy has played a prominent role in American progress. The rise of the great industrial enterprises, the ascendance of the automobile, the emergence of environmental awareness, and the advent of the truly global economy all relate to the way that society produces and uses energy. As we face the opportunities and challenges of the next century, energy will continue to exert a powerful influence on our Nation's prosperity, security, and environment.

Energy policies that promote efficiency, domestic energy production, scientific and technological advances, and American exports help sustain a strong domestic economy. The need to protect the environment motivates our continual search for more innovative, economic, and clean ways to produce and use energy. And although oil crises have receded into memory, their potential for harming our economy and national security remains.

Our Administration has actively pursued a national energy policy since January 1993. We have engaged in an active dialogue with thousands of individuals, companies, and organizations. Informed by that dialogue, we have committed the resources of the Department of Energy and other agencies to ensure that our policy benefits energy consumers, producers, the environment, and the average citizen.

This report to the Congress, required by section 801 of the Department of Energy Organization Act, highlights our Nation's energy policy. The report underscores our commitment to implement a sustainable energy strategy—one that meets the needs of today while expanding the opportunities for America's future. By implementing a sustainable strategy, our energy policy will provide clean

and secure energy for a competitive economy into the 21st century.

William J. Clinton

The White House,
August 4, 1995.

**Message to the Congress
Transmitting the Bulgaria-
United States Nuclear Cooperation
Agreement**

August 4, 1995

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153 (b), (d)), the text of a proposed Agreement Between the Government of the United States of America and the Government of the Republic of Bulgaria for Cooperation in the Field of Peaceful Uses of Nuclear Energy with accompanying annex and agreed minute. I am also pleased to transmit my written approval, authorization, and determination concerning the agreement, and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy, which includes a summary of the provisions of the agreement and various other attachments, including agency views, is also enclosed.

The proposed agreement with the Republic of Bulgaria has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 and as otherwise amended. In my judgment, the proposed agreement meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. It provides a comprehensive framework for peaceful nuclear cooperation between the United States and Bulgaria under appropriate conditions and controls reflecting our strong com-

mon commitment to nuclear non-proliferation goals.

Bulgaria has consistently supported international efforts to prevent the spread of nuclear weapons. It was an original signatory of the Non-Proliferation Treaty (NPT) and has strongly supported the Treaty. As a subscriber to the Nuclear Supplier Group (NSG) Guidelines, it is committed to implementing a responsible nuclear export policy. It played a constructive role in the NSG effort to develop additional guidelines for the export of nuclear-related dual-use commodities. In 1990 it initiated a policy of requiring full-scope International Atomic Energy Agency (IAEA) safeguards as a condition of significant new nuclear supply to other nonnuclear weapon states.

I believe that peaceful nuclear cooperation with Bulgaria under the proposed agreement will be fully consistent with, and supportive of, our policy of responding positively and constructively to the process of democratization and economic reform in Eastern Europe. Cooperation under the agreement will also provide opportunities for U.S. business on terms that fully protect vital U.S. national security interests.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution and urge that the Congress give it favorable consideration.

Because this agreement meets all applicable requirements of the Atomic Energy Act, as amended, for agreements for peaceful nuclear cooperation, I am transmitting it to the Congress without exempting it from any requirement contained in section 123 a. of that Act. This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. The Administration is prepared to begin immediately the consultations with the Senate Foreign Relations and House Foreign Affairs Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b.,

the 60-day continuous session period provided for in section 123 d. shall commence.

William J. Clinton

The White House,
August 4, 1995.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

July 31

In the morning, the President traveled to Burlington, VT. He returned to Washington, DC, in the evening.

August 1

The President announced his intention to nominate Rear Adm. John Carter Albright as a member and National Oceanic and Atmospheric Administration Representative to the Mississippi River Commission.

The President announced his intention to nominate Elizabeth K. Julian to serve as Assistant Secretary for the Office of Fair Housing and Equal Opportunity at the Department of Housing and Urban Development.

August 2

In the evening, the President attended a fundraiser for former Governor of Virginia L. Douglas Wilder at a private residence.

The President announced his intention to nominate J. David Carlin as Assistant Secretary for Congressional Relations at the Department of Agriculture.

The White House announced that Prime Minister Jean-Claude Juncker of Luxembourg has accepted the President's invitation for a working visit in Washington, DC, on August 7.

August 3

The President made available \$53 million in emergency funds to fishermen in the Northeast, Northwest, and the Gulf of Mexico due to heavy uninsured losses from the

collapse of commercial fish stocks and other disasters. He also made available funds to support emergency requirements resulting from the bombing of the Federal building in Oklahoma City, OK; enhanced antiterrorism efforts; and other disaster-related needs.

The President declared a major disaster in Oregon and ordered Federal funds to supplement State and local recovery efforts in the area struck by flash flooding on July 8–9.

The White House announced the President has invited President Sali Berisha of Albania for a working visit in Washington, DC, on September 11.

August 4

In the morning, the President met with Members of Congress.

In the afternoon, the President attended a birthday celebration for journalist Helen Thomas of United Press International in the Briefing Room.

Nominations Submitted to the Senate

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

July 31

Transcript of a press briefing by Director of the Office of Management and Budget Alice Rivlin and Council of Economic Advisers member Martin Bailey on the midsession review of the Federal budget

Transcript of a press briefing by Deputy Assistant to the President for Domestic Policy Bruce Reed in Burlington, VT, on welfare reform

Statement by Press Secretary Mike McCurry announcing the President's establishment of Presidential Emergency Board No. 227

August 1

Statement by Press Secretary Mike McCurry on House action to lift the arms embargo against Bosnia and Herzegovina

Announcement of nomination for a U.S. District Court Judge for the Southern District of Florida

August 2

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry on the upcoming working visit of Prime Minister Jean-Claude Juncker of Luxembourg on August 7

August 3

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry on the upcoming working visit of President Sali Berisha of Albania on September 11

Statement by Press Secretary Mike McCurry on U.S. counterterrorism policy

Fact sheet listing the administration's accomplishments on terrorism

Announcement of emergency funds for fishermen in the Northwest, Northeast, and the Gulf of Mexico and for Oklahoma

August 4

Statement by Press Secretary Mike McCurry on the Executive order on access to classified information

Acts Approved by the President

Approved August 4

H.R. 2017 / Public Law 104–21
District of Columbia Emergency Highway Relief Act